



Acquisition Project Procedures



**Michigan Department of Natural Resources
Grants Management Section**

MICHIGAN DEPARTMENT OF NATURAL RESOURCES (DNR) MISSION STATEMENT

"The Michigan Department of Natural Resources is committed to the conservation, protection, management, use and enjoyment of the State's natural resources for current and future generations."

NATURAL RESOURCES COMMISSION (NRC) STATEMENT

The Natural Resources Commission, as the governing body for the Michigan Department of Natural Resources, provides a strategic framework for the DNR to effectively manage your resources. The NRC holds monthly, public meetings throughout Michigan, working closely with its constituencies in establishing and improving natural resources management policy.

The Michigan Department of Natural Resources (DNR) provides equal opportunities for employment and access to Michigan's natural resources. Both State and Federal laws prohibit discrimination on the basis of race, color, national origin, religion, disability, age, sex, height, weight or marital status under the U.S. Civil Rights Acts of 1964 as amended, 1976 MI PA 453, 1976 MI PA 220, Title V of the Rehabilitation Act of 1973 as amended, and the 1990 Americans with Disabilities Act, as amended.

If you believe that you have been discriminated against in any program, activity, or facility, or if you desire additional information, please write: Human Resources, Michigan Department of Natural Resources, PO Box 30028, Lansing MI 48909-7528, or Michigan Department of Civil Rights, Cadillac Place, 3054 West Grand Blvd, Suite 3-600, Detroit, MI 48202, or Division of Federal Assistance, U.S. Fish and Wildlife Service, 4401 North Fairfax Drive, Mail Stop MBSP-4020, Arlington, VA 22203

For information or assistance on this publication, contact Grants Management, Michigan Department of Natural Resources, PO Box 30425, Lansing MI 48909-7925.

This information is available in alternative formats.

Printed By Authority of: **Natural Resources Trust Fund Act 451, P.A. 1994 as amended**

Total Number Of Copies Printed	75	Total Cost:	\$279.58	Cost Per Copy	\$3.331
--------------------------------	-----------	-------------	-----------------	---------------	----------------

***Michigan Natural
Resources Trust Fund***

**Acquisition Project
Procedures**

Prepared by:

Michigan Department of Natural Resources
Grants Management

TABLE OF CONTENTS

INTRODUCTION	1
CHAPTER 1: BEGINNING YOUR ACQUISITION PROJECT	3
PREPARING FOR THE PROJECT AGREEMENT.....	3
EXECUTING THE PROJECT AGREEMENT	7
CHAPTER 2: WORKING TOWARDS CLOSING ON THE PROPERTY	8
CHAPTER 3: AMENDING THE PROJECT AGREEMENT	10
CHANGING THE PROJECT AREA	10
INABILITY TO PURCHASE MINERAL RIGHTS TO THE PROPERTY	10
EXTENDING THE PROJECT PERIOD	10
CHAPTER 4: PURCHASING THE PROPERTY	11
CHAPTER 5: PREPARING THE REIMBURSEMENT PACKAGE.....	14
LIST OF ITEMS TO BE INCLUDED IN A REIMBURSEMENT PACKAGE.....	15
CHAPTER 6: PROGRAM RECOGNITION	17
PLAQUE/SIGN REQUIREMENTS	17
ADDITIONAL RECOGNITION EFFORTS.....	17
CHAPTER 7: LONG-TERM OBLIGATIONS	18
APPENDIX A: PURCHASE OPTIONS AND AGREEMENTS.....	19
APPENDIX B: SAME DAY REIMBURSEMENTS.....	20
APPENDIX C: MICHIGAN DEPARTMENT OF NATURAL RESOURCES APPRAISAL REPORT STANDARDS	21
PART I – INTRODUCTION.....	21
PART II – FACTUAL DATA.....	22
PART III – ANALYSIS AND CONCLUSIONS	23
PART IV – EXHIBITS AND ADDENDA	24
APPENDIX D: RELOCATION COSTS	25
REPLACEMENT HOUSING PAYMENTS AND RELATED COSTS	25
CLAIM FILING AND ELIGIBILITY REQUIREMENTS	26
COMPUTATION OF HOUSING SUPPLEMENT.....	26
RENTAL SUPPLEMENT – OWNER/OCCUPANTS AND TENANTS OF 90 DAYS OR MORE	26
PURCHASE DOWN PAYMENT – OWNER/OCCUPANTS OF 90 TO 179 DAYS AND TENANTS OF 90 DAYS OR MORE	27
INCIDENTAL EXPENSE REIMBURSEMENT FOR A REPLACEMENT MORTGAGE.....	27
ELIGIBLE EXPENSES	28
INCREASED INTEREST DIFFERENTIAL.....	28

RESIDENTIAL MOVING AND RELATED PAYMENTS	28
ELIGIBLE RESIDENTIAL MOVING AND RELATED EXPENSES.....	28
RELOCATION OF A BUSINESS, FARM, OR NONPROFIT ORGANIZATION.....	28
CLAIM FILING FOR BUSINESSES, NONPROFITS, AND FARMS	29
BUSINESS RE-ESTABLISHMENT	29
MOVING COSTS FOR A BUSINESS, FARM, OR NONPROFIT ORGANIZATION.....	29
SELF MOVE OF A BUSINESS, FARM OR NONPROFIT ORGANIZATION.....	30
FIXED PAYMENT FOR A BUSINESS, FARM, OR NONPROFIT ORGANIZATION	30
INELIGIBLE MOVING EXPENSES FOR ALL ENTITIES.....	31
APPENDIX E: PREPARING A MINERAL ROYALTY INTEREST DEED	32
REQUIRED FORMAT.....	32
LEGAL FORMAT REQUIREMENTS FOR A MINERAL ROYALTY INTEREST DEED:	32
GUIDANCE FOR PREPARING A MINERAL ROYALTY INTEREST DEED:	32
REQUIRED CONTENT	33
APPENDIX F: DOCUMENTS (FORMS)	38
RECOMMENDED GRANT RECIPIENT 'S DISCLOSURE AND CERTIFICATION STATEMENTS FOR PURCHASE AGREEMENTS AND OPTIONS (PR1923-2)	39
STATEMENT OF JUST COMPENSATION (PR1908-1).....	43
OFFER TO PURCHASE (PR1908-8)	45
OFFER TO PURCHASE (WITH LAND DONATION)/WAIVER OF JUST COMPENSATION (PR1908-2)	47
SELLER'S WAIVER OF REIMBURSEMENT OF INCIDENTAL EXPENSES (PR1908-3).....	49
CLOSING STATEMENT (PR1908-9).....	51
ACQUISITION PROJECT REIMBURSEMENT REQUEST (PR1922).....	53
MICHIGAN NATURAL RESOURCES TRUST FUND PLAQUE ORDER FORM (PR1908-12) - <u>NOT AVAILABLE AT THIS TIME</u>	

INTRODUCTION

Congratulations! You are most likely reading this booklet because your community has been recommended by the Michigan Natural Resources Trust Fund Board of Trustees for a grant to assist you in the purchase of land or rights-in-land for its recreational, aesthetic, and/or resource protection value. We have developed this booklet to help guide you through the steps necessary to complete your acquisition and receive reimbursement from the Michigan Natural Resources Trust Fund (MNRTF).

Because some of the procedures have been revised this year, we strongly recommend that you read this booklet in its entirety before you begin your project.

We realize that the acquisition process is complicated and, depending on your past experience with the program, some of the tasks may be unfamiliar to you. Grants Management staff within the Department of Natural Resources is available to assist you as you work your way through the process. When you were notified that your project was selected for funding, you should have also received a list of the names and telephone numbers of the Regional Grant Coordinators. Your Regional Grant Coordinator is the first contact you should make when you have questions regarding the process and is the staff person to whom you should address all correspondence.

Our general addresses and telephone numbers are as follows:

**GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925**

On the web at: www.michigan.gov/dnr-grants

Telephone: 517-373-9125

Fax: 517-335-6813

The land acquisition procedures of the Michigan Natural Resources Trust Fund are based on the policies of the MNRTF Board of Trustees, the policies and procedures of the Department of Natural Resources (DNR), the Natural Resources and Environmental Protection Act (1994 PA 451), the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), and other state laws and regulations. All projects approved for an acquisition grant must meet the following requirements, which are more fully explained in the following chapters of this booklet:




Exclusive use of the property for public, outdoor recreation purposes. Land acquired with MNRTF assistance and the recreation facilities on them, as well as the land or water access ways to them, must be open to the general public and maintained for public outdoor recreation *in perpetuity* (Board Policy 94.1).





Willing seller. The MNRTF is based on the principle of willing seller/willing buyer and will not participate in the acquisition of land through eminent domain. All aspects of the sale must be voluntary on the part of the landowners (Board Policy 00.3).




Clear title to the property. Properties that are purchased with grant assistance must be free from restrictions such as liens, easements, encumbrances, leases, covenants, reverter clauses, and use restrictions that will impact their recreational or resource protection value.

 **Mineral rights.** You are expected to acquire and retain the mineral rights with the surface rights when purchasing property with MNRTF assistance. When the property is over five acres in size, we require you to deed to the DNR a nonparticipating 1/6th minimum royalty interest in all acquired mineral rights.

 **Environmental safety.** The MNRTF will not assist in the purchase of property that contains a level of contamination that would cause the property to be unacceptable for its planned development and use or that would have an unacceptable negative impact on the overall public recreation and/or resource protection values of the site (Board Policy 93.1).

 **Relocation assistance to occupants.** When local, state, or federal government acquisition of land results in the displacement of a residence, business, farm, or nonprofit organization, the affected persons are eligible for certain benefits and payments. This includes both landowners and tenants. As the buyer of the property, it is your obligation to make all required relocation payments; however, you may receive grant assistance for these costs (P.L. 91-646).

 **Park names.** An MNRTF-assisted site may not be named after a person, living or dead, unless a waiver is granted by the Board. This prohibition does not, however, prevent the award of assistance to expand a park or area that was named after a person prior to the time that the grant application was submitted. In addition, the Board's policy allows you to take other measures to memorialize an individual or group within an MNRTF-assisted project area (Board Policy 92.3).

CHAPTER 1: BEGINNING YOUR ACQUISITION PROJECT

Each year the Michigan Natural Resources Trust Fund Board recommends a list of projects for funding; however, their recommendations must be reviewed and approved by the Legislature and funds appropriated to the DNR before a grant is considered approved. After a bill containing the recommended projects is passed by the Legislature and signed into law by the Governor, it takes another 30 to 60 days before funds are available to the DNR for allocation. At that time, we will issue a project agreement to you.

It is often during this time—after a project has been recommended for funding but before you can proceed with the purchase—that you may wish to enter into a purchase option or agreement with the landowner to avoid losing the property. **Before you enter into a purchase option or agreement, you and the landowner must sign the *Disclosure and Certification Statement for Purchase Agreements and Options* form (PR 1923-2) or the property will be considered ineligible for MNRTF assistance.** A copy of the form is provided in Appendix F. More information on our procedures regarding purchase options and agreements is given in Appendix A of this booklet.

PREPARING FOR THE PROJECT AGREEMENT

While you are waiting for the DNR to issue your project agreement, there are some steps you can take to help ensure a timely completion of your project. **Please read this section carefully, as we have changed the sequence and timing of some of the steps.**

1. **Prepare a legal description and boundary map of the project area.** When you receive your project agreement, you will be asked to attach a legal description and boundary map of the “project area.” The project area defines the property you intend to acquire with grant assistance.

You may be able to use the boundary map you included in the grant application as the boundary map for the project agreement. If you would like to do so, please contact your Grant Coordinator to ask if the previously-submitted map is acceptable.

2. **Secure funds for the acquisition.** The expectation of the MNRTF program is that you will complete the acquisition and make all payments before requesting reimbursement with grant funds. Therefore, before a project agreement is executed you should make final arrangements for a source of funding to purchase the property.

If you believe your community will have difficulty fronting the funds for the length of time necessary to purchase the property and request and receive reimbursement from the DNR, you may request an exception to the standard reimbursement procedure. If granted, you will be able to receive a reimbursement check (for 90 percent of the reimbursable amount) on the same day on which you close on the property. This “same day reimbursement” procedure requires more advance preparation than the standard procedure; details are provided in Appendix B.

If you believe you may need to request a same day reimbursement, you should begin your inquiry into the procedure at this point in the process, to help ensure the timely completion of your project.

3. **Contact your grant coordinator for approval to begin due diligence, title work, and an appraisal on the property to be purchased.** These steps in the acquisition process may be begun up to six months prior to the execution date of your project agreement. While the bill to appropriate the funding for your project is still in the Legislature, you may send a written request to your Grant Coordinator asking approval to begin due diligence, title work, and an appraisal. Once you receive written permission to begin these steps, you may proceed. However, any costs you incur before executing a project agreement will be reimbursed only if the Legislature appropriates the funds and you complete the project in accordance with DNR procedures.

- A. Perform due diligence on the property.** Under Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, a property is termed a “facility” if it is contaminated by any hazardous substance—measured in the soil or groundwater—at a level above the state’s cleanup criteria for residential property, which are the state’s most protective cleanup criteria. If a property is determined to be a facility, there are steps you must take to protect future users of the property, and to protect yourself from liability. The appropriate inquiry as to whether environmental contamination is present on a property is often termed “due diligence.”

While the bill containing the recommended projects is still within the Legislature, you may request permission to begin due diligence on the property you wish to purchase. Much of the following information on due diligence is taken from the Michigan Department of Environmental Quality’s (DEQ) “Part 201 Citizen’s Guide,” available on the DEQ website www.michigan.gov/deq. We strongly recommend that you contact the Remediation and Redevelopment Division at your local DEQ office to obtain the most current information. For office locations and additional information, see the DEQ website or call 517-373-9837.

The Grants Management staff of the DNR does not approve the results of your due diligence or make any determination as to its adequacy, but rather, determines whether you have submitted the appropriate documentation for the amount of inquiry you have chosen to undertake. The determination that a property is or is not a facility must be made solely by you, the grantee.

The initial step of due diligence is to ask the landowner and/or other knowledgeable persons about any known environmental conditions on the property. Section 16 of Part 201 requires a person who has knowledge that their property is a facility to disclose that information to prospective purchasers prior to its sale. We also strongly recommend that you walk through the property to look for obvious signs of contamination (for example, abandoned tanks or containers, stained soils, or stressed vegetation).

- ❖ If, based on the information you receive, you believe that it is reasonable to conclude that the property is not a facility, you may decide to end your inquiry at this point. However, you will want to be sure that you receive accurate information on the use of the property far enough into the past so that you are comfortable with making this determination. Submit to Grants Management a summary of the information you have gathered, along with a statement (by the grantee, not your environmental consultant) that you have determined, based on the information gathered, that it is reasonable to conclude that the property is not a facility, as defined in Part 201 of 1994 PA 451.
- ❖ If you cannot or do not want to make a decision on the contamination of the site based on information from the owner or other persons knowledgeable about the site, the next step of due diligence is to conduct an environmental assessment of the property. The American Society for Testing Materials Phase I and Phase II environmental assessments (ASTM E1527 and E1903) or equivalent can be used. You will need to hire an environmental consultant to conduct these assessments, unless you have appropriately-trained staff available to you.

The Phase I assessment includes a review of regulatory agency files, historical maps, and past uses to evaluate the potential for contamination on the property. A walk-through of the property is performed to identify potential contamination sources. The Phase I report concludes with a list of these potential contamination sources, which are termed Recognized Environmental Concerns (REC).

- ❖ If, based on the results of the Phase I assessment and the recommendations you receive from your environmental consultant, you believe that it is reasonable to conclude that the property is not a facility, you may decide to end your inquiry at this point. Submit to Grants Management a copy of the Phase I assessment report, along with a statement (by the grantee, not your environmental consultant) that you have determined, based on the information gathered, that it is reasonable to conclude that the property is not a facility, as defined in Part 201 of 1994 PA 451.
- ❖ If you cannot or do not want to make a decision on the contamination of the site based on the information gained from the Phase I assessment, the next step of due diligence is to conduct a Phase II assessment (or equivalent) on the property.

The Phase II assessment involves further investigation into the RECs, including the collection of soil and/or groundwater samples, determining if underground tanks are present, and identifying abandoned containers and their contents. The concentration of hazardous substances found at the property is compared to the DEQ's residential criteria. If any hazardous substance exceeds one or more of the cleanup criteria, the property is determined to be a facility.

- ❖ If, based on the results of the Phase I and II assessments and the recommendations you receive from your environmental consultant, you believe that it is reasonable to conclude that the property is not a facility, submit to Grants Management a copy of the Phase I & II assessment report, along with a statement (by the grantee, not your environmental consultant) that you have determined, based on the information gathered, that it is reasonable to conclude that the property is not a facility, as defined in Part 201 of 1994 PA 451.
- ❖ If, based on the results of the Phase I and II assessments and the recommendations you receive from your environmental consultant, you believe that the property is a facility, you will need to conduct further assessments. Generally, the scope of these further assessments must allow the identification of the nature and extent of contamination at the site so that appropriate "due care" compliance measures (required by Section 7a of Part 201 and described further in chapter 2) can be determined. Submit to Grants Management a copy of the Phase I and II assessment report, along with a statement telling us whether you wish to continue with this acquisition with grant assistance. If you wish to proceed, also include a discussion on why you believe this property can safely provide for the recreational opportunities presented in your grant application following cleanup or other due care measures. Further information on conducting further assessments and determining adequate due care for the site is contained in chapter 2 of this booklet.

Environmental assessments costs, up to five percent of the fair market value of the property and including those incurred prior to execution of a project agreement, are eligible for reimbursement if the project is completed and the cost is covered by the awarded grant amount.

- B. Title Search.** Generally, MNRTF grantees are required to obtain fee simple title of the entire project area free from restrictions such as liens, easements, encumbrances, leases, covenants, reverter clauses, or use restrictions. In order to determine what restrictions exist on the property, it is necessary to conduct a title search.

Once the title search has been completed, a copy of the report and copies of the current deed(s) and all documents pertaining to the deed must be submitted to Grants Management for evaluation. When purchasing a former railroad corridor, it is not necessary to submit copies of the original deeds acquired by the railroad company to assemble the corridor, unless they contain clauses that could potentially affect the recreation use of the property. Submit for all properties, all licenses, leases, easements, and any other documents issued by the current or former property owners that transfer any right of control or use of any portion of the property. Grants Management will review these documents and make the following determinations:

- ❖ The restriction (lease, license, etc.) must be terminated prior to purchase because the rights it grants conflict with the public use of the affected area, as well as the remainder of the property for outdoor recreation;
- ❖ The restriction may remain on the property, but the affected portion of the property must be removed from the project area and/or its value deducted from the fair market value. For example, the DNR may approve a lease allowing the former landowner to remain on the site for an extended period of time (such as a life lease), but the fair market value of the property will be reduced to account for the loss of use of that portion of the property. In no case will a restriction be approved if it interferes with the immediate use of the remainder of the property for public outdoor recreation;
- ❖ The restriction may remain with no effect on the project area or approved fair market value. Routine utility easements and pre-existing road rights-of-way usually fall into this category.

You must seek DNR approval if you want to place new restrictions on the land at the time of closing or afterwards. New restrictions must not contradict or supersede the terms of the project agreement or relinquish control of any portion of the project area.

Before the purchase is completed, you should also ask the landowner to keep you informed of any physical or legal changes to the property, such as placing new easements or leases, erecting new structures, removing or altering the natural resources on the property (such as timber harvesting), or any other change that may mean the acquisition would not meet MNRTF requirements.

Your attorney will need to update the title search report at a date closer to the closing date, or verify that no additional restrictions have been placed on the deed.

C. Appraisal.

Do not begin the appraisal until due diligence and a title search on the property have been completed.*

The fair market value of the property you wish to acquire must be determined through an appraisal conducted by a **certified general appraiser**, following the standards given in Appendix C. However, not all certified general appraisers are qualified to appraise all types of property. Most work is primarily with residential properties, and may not have much experience appraising forest land, lake or river frontage, wetlands, or other types of non-residential properties. You will want to choose a certified general appraiser who has experience appraising the type of property that you are purchasing.

You may contact Grants Management for a list of certified general appraisers who have had an appraisal approved by the DNR. You are not required to select an appraiser from this list, and choosing an appraiser from the list does not guarantee that the appraisal you commission will be approved. However, appraisers on the list have demonstrated their awareness of and ability to prepare appraisals using the DNR-required appraisal format and standards, which may lessen the time needed to complete the appraisal.

*If your appraisal was completed before due diligence and the title search were completed, you will need to have your appraiser revise the appraisal and fair market value (usually as an appraisal addendum) to incorporate any pertinent information. Similarly, any restrictions that you intend to add to the property (such as allowing the former landowner to remain on the property for an extended period of time) must, upon DNR approval, be considered in determining the fair market value. Grants Management will not send appraisals to the DNR's Office of Land and Facilities (OLAF) for review until all information that may affect the fair market value has been incorporated into the appraisal.

If you estimate your acquisition property to have a value of \$500,000 or more, you must have two separate appraisals prepared.

Permission must be obtained from the landowner to have the property appraised. Each owner or a designated representative must be given an opportunity to accompany the appraiser and must certify on a *Statement of Just Compensation* form (see Appendix F) that he or she was given this opportunity.

Submit one copy of each appraisal to Grants Management. We will forward them to the OLAF for review and final determination of the final fair market value. This process may take up to 90 days.

Appraisal costs incurred prior to the execution of the project agreement are eligible for reimbursement if the appraisal meets DNR standards and is approved by the DNR; the appraisal costs are within the limitations of the grant award; and the acquisition is completed in compliance with the project agreement.

EXECUTING THE PROJECT AGREEMENT

As explained earlier, when MNRTF grant funding is available, the DNR will issue a non-negotiable project agreement to you. The project agreement details the responsibilities of the grantee and the DNR in completing the project and maintaining it over time. Upon its execution it is a legally binding and enforceable document.

Project agreements define the following:

- The timeframe for project completion, which is one year from the date the agreement is issued. This is referred to as the **project period**.
 - The **project area**, which is the park or geographic area to be acquired with grant assistance.
 - The maximum grant amount and reimbursement rate, based on the approved grant application.
 - The reimbursement requirements, including the deadline for submitting a final reimbursement request.
 - The acquisition procedures, including a requirement that the grantee follow the procedures set forth in this booklet.
 - The grantee's obligation to ensure the project meets all local, state, and federal laws and regulations.
 - The grantee's long-term obligations, most importantly the obligation to keep the project area in public outdoor recreation use in perpetuity.
 - The DNR's rights in response to violation of the project agreement, including termination of the agreement and requiring the grantee to repay grant funds received and/or to pay damages.
- ❖ Within 90 days of issuance, you must complete and sign both copies of the agreement and attach the following:
- 1) the boundary map of the project area—**please initial and date both copies**;
 - 2) the legal description of the project area; and
 - 3) an official resolution of your local governing body accepting the agreement and the grant.

We will provide you with a 90-day time period to return your agreement, with all required signatures and attachments. Once we receive the agreements and all required materials, we can usually execute them within two weeks. We will return one original of the agreement and attachments to you. It is important to note that the one-year project completion timeframe begins when the project agreement is issued.

CHAPTER 2: WORKING TOWARDS CLOSING ON THE PROPERTY

While you should have already taken some steps toward completing your project, you may begin this work in earnest once the project agreement has been executed. Once you have successfully completed the following steps and submitted the results and/or information to the DNR, you will obtain approval to close on the property.



Environmental Assessment and Due Care. At this point in the process, you should have already completed due diligence on the property and reported your determination to the DNR, as described in Chapter 1.

- ❖ If you determined that the property is not a facility and have submitted this determination to the DNR, no further action is required.
- ❖ If, based on the results of due diligence, you have determined that the property is a facility and we have approved your moving forward with the grant-assisted purchase, you are required to prepare a Baseline Environmental Assessment (BEA) and Section 7(a) compliance analysis (due care), as provided for in Part 201 of the Natural Resources and Environmental Protection Act (1994 PA 451, as amended). You must then formally petition the DEQ to review the BEA and Section 7(a) compliance analysis.

Further information on the requirements for the preparation and review of the BEA and Section 7(a) compliance analysis can be obtained by contacting the Remediation and Redevelopment Division at your local DEQ office. For office locations and additional information, see the DEQ website at www.michigan.gov/deq or call 517-373-9837.

Once you receive a written determination from DEQ that the BEA and Section 7(a) compliance analysis are technically adequate, submit to the DNR:

- a copy of the BEA and Section 7(a) compliance analysis;
 - a copy of the written determination from DEQ that the BEA and Section 7(a) compliance analysis for the property are technically adequate;
 - a timetable for completion of the due care actions.
- ❖ If the above information indicates that the presence of contamination will not significantly reduce the overall use and value of the property for public recreation and resource protection nor significantly delay the completion of the acquisition and development of the site, we will provide you with written approval to proceed with the project.
 - ❖ If the above information indicates that the presence of contamination will significantly reduce the overall use and value of the property for public recreation and resource protection and/or significantly delay the completion of the acquisition and development of the site, we may ask that you withdraw the project from the program.

As stated in Chapter 1, environmental assessment costs, up to five percent of the fair market value of the property and including those costs incurred prior to execution of a project agreement, are eligible for reimbursement provided the project is completed and the cost is covered by the awarded grant amount. The cost of cleanup actions needed to make a property safe for recreational use and to comply with state law is not reimbursable under the MNRTF program.



Title Search. You may have already begun the title search on the property. See Chapter 1 for more information.



Appraisals. You may have already begun the appraisal on the property. See Chapter 1 for more information.



Non-Recreation Uses. The project agreement requires you to eliminate all uses of the property other than public outdoor recreation within 90 days of the acquisition, unless you receive approval from the DNR to extend this deadline. Examples of non-recreation uses include agricultural uses, residences, and businesses. If you do not believe you can meet the 90-day requirement, submit a written request for an extension. In your request, please describe the non-recreation use, provide justification for an extension, and propose a length of time.



Existing Structures. If there are any structures on the property, you must submit a written plan and schedule for their proposed use or removal. Existing structures should be removed or made ready for an appropriate use within a reasonable timeframe after completion of the acquisition. Appropriate uses include nature centers, park office or maintenance buildings (that house staff or equipment for the project site only), and restroom buildings.



Public Access. The project agreement requires you to make the project area, its facilities, and any land or water access to them open to the public within 90 days of the date of acquisition and to keep them open to the public at all times on equal and reasonable terms. If you anticipate that you cannot meet the 90-day requirement, submit a written request for an extension, explaining why the extension is necessary, and a proposed length of time for the extension.

CHAPTER 3: AMENDING THE PROJECT AGREEMENT

Sometimes it is not possible to complete an acquisition project as originally proposed or within the project period. In these situations, you may submit a written request to Grants Management for a project change. Requests should be submitted before the end of the project period.

If we approve your request, we will prepare and send to you for your signature an amendment to your project agreement reflecting the modified terms of the acquisition project. If the amendment modifies the project area, you will be required to prepare a revised boundary map and legal description to attach to the amendment.

CHANGING THE PROJECT AREA

It may not be possible to purchase the project area as described in the project agreement because:

- The landowner is not willing to sell or will not sell at the DNR-approved fair market value.
- The landowner has placed restrictions on the land so that it no longer meets MNRTF acquisition requirements.
- You have determined that acquisition of all the parcels within the project area is no longer appropriate based on changing conditions or needs.
- You have an opportunity to acquire additional land adjacent to the original project area.

If you have a reason to modify the project area, submit a written request to Grants Management, explaining the change, why the change is necessary, and its effect on the cost of the acquisition.

Requests to reduce the project area are critically reviewed by the DNR, especially when associated with higher than expected property values. The grantee is required to cover all cost overruns, and as such should not expect to be approved to acquire less land to compensate for higher than anticipated market values.

Requests to significantly reduce the acreage of your project area and all requests to acquire additional acreage will need approval from the MNRTF Board. Additional detailed guidance regarding project area changes can be found in Board Policy 00.1 and its implementation procedures, which can be obtained from Grants Management or from the DNR website www.michigan.gov/dnr-grants.

INABILITY TO PURCHASE MINERAL RIGHTS TO THE PROPERTY

When purchasing property with MNRTF assistance, you are expected to acquire the mineral rights along with the surface rights. However, at times the landowner does not own any or some portion of the mineral rights, or refuses to sell them. In these situations you will need to contact Grants Management in writing for approval to proceed with the acquisition. If the appraisal was completed with incorrect information on the rights to be acquired, the fair market value of the property will need to be reevaluated by your appraiser and an addendum to the appraisal submitted for DNR review.

EXTENDING THE PROJECT PERIOD



You may request an extension to your project period if, as you approach the end of the period, you do not believe that you will be able to complete all requirements and close on the property within the remaining time. Submit a written request to the DNR, explaining why you need a time extension and when you believe you will be able to close on the property. Extensions will only be granted if you have made significant progress toward project completion and/or the reasons for delay are outside of your control.

CHAPTER 4: PURCHASING THE PROPERTY




At this point, you have completed all the necessary steps described in the previous chapters of this booklet, you have received written approval from the DNR, and you are ready to close on the property! The following information guides you through the closing process, and lists all forms that you and the landowner will need to complete. The forms listed below can be found in Appendix F.

We strongly encourage you to submit drafts of all the forms, completed as much as possible, before you close on the property. We will review the forms and provide you with our comments. Prior review of the forms should assist you in completing them correctly during closing, shorten our review time, and allow you to receive your reimbursement check sooner.

NOTE: The discussion below refers to a single landowner; however, when there are multiple landowners, all must sign the following documents. If your project involves the purchase of multiple parcels of land and some or all of the parcels differ in ownership, you will need to prepare a complete set of forms for each unique parcel/ownership combination.



 STEP 1	FORMS NEEDED:
INFORMING THE LANDOWNER OF THE FAIR MARKET VALUE	 STATEMENT OF JUST COMPENSATION (PR 1908-1)

- The grantee and the landowner complete and sign the entire *Statement of Just Compensation* form, which must indicate the DNR-approved fair market value.
- If the *Statement of Just Compensation* form indicates that there are occupants on the property, you must ensure that all occupants are aware of their relocation benefits and make arrangements to pay all appropriate relocation costs (see Appendix D).
- Upon request, Grants Management will review the completed *Statement of Just Compensation* before it is signed to be sure it is complete, and/or will review the executed form to ensure you are prepared to take the next step in the process.





 STEP 2	FORMS NEEDED:
MAKING AN OFFER TO PURCHASE	 OFFER TO PURCHASE (PR 1908-8) OR  OFFER TO PURCHASE (WITH LAND DONATION)/ WAIVER OF JUST COMPENSATION (PR 1908-2)

- The purchase price you offer must be at least equal to the DNR-approved fair market value/just compensation amount indicated on the *Statement of Just Compensation* form. If you intend to purchase the property at the fair market value and the landowner does not intend to donate any of the land value, or if you intend to purchase the property for more than the fair market value, the *Offer to Purchase* form is used. A standard real estate purchase offer document may be used in lieu of the DNR form.
- If you offer more than the fair market value for the property, you must be prepared to pay the additional costs without reimbursement.
- For acquisitions that include a donation of land value (that is, the landowner has agreed to sell the property for less than the DNR-approved fair market value) the *Offer to Purchase (With Land Donation)/Waiver of Just Compensation* form is used. This document must be completed to show that the landowner has agreed to a cash compensation amount that is less than the fair market value.

MICHIGAN NATURAL RESOURCES TRUST FUND- ACQUISITION PROJECT PROCEDURES

 STEP 3	FORMS NEEDED:
DETERMINING INCIDENTAL COSTS AND INFORMING THE LANDOWNER OF HIS/HER RIGHTS	 <i>SELLER'S WAIVER OF REIMBURSEMENT OF INCIDENTAL EXPENSES (PR 1908-3)</i>


- In a traditional real estate transaction, the landowner pays for incidental expenses. Under the MNRTF program, landowners who pay incidental costs are entitled to reimbursement by the grantee, unless the landowner specifically waives this right.
- Prior to the closing, you must inform the landowner that MNRTF procedures require you to pay all incidental closing costs, unless the landowner specifically waives this requirement. If the landowner agrees to pay any of the incidental closing costs, the *Seller's Waiver of Reimbursement of Incidental Expenses* form must be completed by the grantee and signed by the landowner.

 STEP 4	FORMS NEEDED:
CLOSING; RECORDING OF DEEDS	 <i>CLOSING STATEMENT (PR 1908-9)</i>  <i>WARRANTY DEED</i>  <i>MINERAL ROYALTY INTEREST DEED</i>

- At the time of closing, the *Closing Statement* document is prepared by you or your agent and is signed by you and the landowner. Alternatives to the *Closing Statement* document may be used if they include the same information.
- Title insurance is required for all acquisitions except those of railroad corridors. For railroad corridor purchases, a title search is required. For both, the title search must be updated shortly before the closing date.
- The deed for the property must be a warranty deed and may not contain reverter clauses, covenants, or other restrictions, unless they are required or have been approved by the DNR prior to closing.
- **All deeds (excluding the mineral royalty interest deed) prepared for the purchase of property with assistance from the Michigan Natural Resources Trust Fund must contain the following statement (edited as appropriate to your project):**

The lands included in this deed were acquired by (grantee) with funding assistance from the Michigan Natural Resources Trust Fund pursuant to project agreement TF__-__ between the Michigan Department of Natural Resources and (grantee), executed on (date). The project agreement describes certain requirements to ensure the long-term conservation of the property and its use for public outdoor recreation. (Grantee) is placing this notice on record as confirmation of its obligations as set forth in the project agreement, including the requirement that the consent of the Michigan Department of Natural Resources and the Michigan Natural Resources Trust Fund Board of Trustees is required prior to the conveyance of any rights or interest in the property to another entity, or for the use of the property for purposes other than conservation or public outdoor recreation.

- The requirements for the format and contents of a mineral royalty interest deed are included in Appendix E.
- For a traditional closing, you and the landowner schedule the closing and you incur all costs associated with the acquisition. You or your agent records the property deed and the mineral deed.
- For projects that include a same day reimbursement, see Appendix B for more information on the closing process.

 STEP 5	FORMS NEEDED:
PAY RELOCATION COSTS	OBTAIN FORMS FROM THE MICHIGAN DEPARTMENT OF TRANSPORTATION

- The grantee makes all appropriate relocation benefit payments.
- For projects that include relocation costs, the grantee must list these costs on the *Acquisition Project Reimbursement Request* document and include documentation that the costs were paid. See Chapter 5 for additional guidance.
- If payment and documentation of relocation costs cannot be done within the approved project completion period, the grantee should contact Grants Management for guidance. At a minimum, a final draft of the reimbursement package (see below) should be submitted to Grants Management by the deadline specified in the project agreement.

CHAPTER 5: PREPARING THE REIMBURSEMENT PACKAGE

Throughout your project, it is necessary for you to retain the documents you will need to submit a reimbursement package following purchase of the property. Reimbursement of eligible costs is based on the grant percentage specified in your project agreement but cannot exceed the maximum-stated grant amount. Submit the reimbursement package to the DNR after the closing has occurred and the deeds have been recorded. The package should be submitted within 90 days of completing the acquisition but no later than the date given in your project agreement. If you do not believe you can meet this date, contact Grants Management in writing to request an extension.

NOTE: If your project involves the purchase of multiple parcels of land and some or all of the parcels differ in ownership, you will need to prepare a complete reimbursement request package for each unique parcel/ownership combination. If you complete the acquisition in stages Grants Management may elect to withhold payment until the entire project area is acquired.

Upon our approval of the reimbursement package, we will make an initial payment of 90 percent of the total grant amount earned. The final 10 percent will be paid upon completion of an audit by the DNR.

The following costs are eligible for reimbursement, provided your grant award is sufficient to cover them:

\$ Title insurance and title search	\$ Prorated taxes
\$ Environmental assessment costs	\$ Recording fees
\$ Appraisal costs	\$ Transfer tax/revenue stamps
\$ Purchase of the real property, excluding any portion of the purchase price that exceeds the DNR-approved fair market value	\$ MNRTF plaque
	\$ Relocation costs
	\$ Closing fees, excluding attorney fees

Any payments made to the landowner as part of an option or purchase agreement that are above the fair market value of the property are not eligible for grant reimbursement.

Following is a list of all the documents that must be submitted in your reimbursement package. You may use this list as a checklist to ensure that you have prepared and included all required documents:

LIST OF ITEMS TO BE INCLUDED IN A REIMBURSEMENT PACKAGE

- ☐ **Original *Acquisition Reimbursement Request***
 - ___ Signed by you
- ☐ **Original *Statement of Just Compensation***
 - ___ Includes your original signature and those of each of the sellers of the parcel
- ☐ **Copy of *Offer to Purchase* OR Copy of *Offer to Purchase (With Land Donation)/Waiver of Just Compensation***
 - ___ Signed and dated after the *Statement of Just Compensation* is signed
 - ___ Signed by you and each of the sellers
- ☐ **Copy of *Seller's Waiver of Reimbursement of Incidental Expenses***
 - ___ Completed by you, if the seller elects to waive reimbursement for eligible incidental expenses incurred during the acquisition of the property, and signed by each of the sellers
- ☐ **Copy of Recorded Deed to the Property**
 - ___ Must be a warranty deed
 - ___ Includes the statement that the property was purchased with assistance from the Michigan Natural Resources Trust Fund
- ☐ **Boundary Map of the Acquired Area**
- ☐ **Original Recorded Mineral Royalty Interest Deed**
 - ___ Must be a warranty deed
 - ___ A boundary area map needs to be included with the deed
- ☐ **Copy of Title Insurance Policy**
OR, for railroad corridor acquisitions only, Title Search
- ☐ **Copy of *Closing Statement***
 - ___ Signed by you and each seller
- ☐ **Documentation of All Costs Incurred**
 - ___ Copies of invoices
 - ___ Copies of cancelled checks. Each check copy must either be of the front and back of the check as returned by the bank, or a copy of the front of the check with a copy of the bank statement or documentation of wire transfer, showing the check has cleared
- ☐ **Evidence of All Relocation Payments, if applicable**
 - ___ Documentation must include copies of cancelled checks, appropriate claims forms, and a written explanation of the basis for computation of relocation payments
- ☐ **Photo of the Installed MNRTF Plaque**
 - ___ The photo must show that the plaque has been permanently installed on a park entrance sign

☐ **Tax Proration Schedule and Copy of Paid Property Tax Bills**

The Reimbursement Package must include a schedule that explains how the property taxes were prorated, as well as copies of all the paid tax bills. The following example may assist you in prorating taxes. The example is for real estate tax proration when the annual taxes have been prepaid (as specified in 1966 PA 288). The example is also based on the assumption that the seller had paid all tax bills issued. If the seller has not paid the tax bills, the calculation process would be the same, but the grantee would be entitled to deduct any portion of the taxes that are in arrears from the closing statement. On the closing date, the property belongs to you; therefore, the closing date is used to determine the proration.

TAX PRORATION EXAMPLE—CLOSING DATE DECEMBER 27, 2005	
Winter Tax Bill	Summer Tax Bill
Period Covered: December 1, 2005 to November 30, 2006	Period Covered: July 1, 2005 to June 30, 2006
Amount Paid: \$304.59	Amount Paid: \$354.22
Divide \$304.59 by 365 days to get a daily rate of \$0.834	Divide \$354.22 by 365 days to get a daily rate of \$.9704
Grantee's portion to be included as an eligible reimbursement expenditure = \$282.73 (12/27/05 through 11/30/06; 339 days at \$0.834)	Grantee's portion to be included as an eligible reimbursement expenditure = \$181.46 (12/27/05 through 6/30/06; 186 days at \$0.9704)
Seller's portion = \$21.86 (12/01/05 to 12/26/05; 26 days at \$0.834)	Seller's portion = \$172.76 (07/01/05 to 12/26/05; 178 days at \$0.9704)

The summer and winter tax bill may contain city taxes, county taxes, local school taxes, and intermediate school taxes. The taxes may also be for various periods of time. For simplification, the lumping of taxes as shown in the example is preferred.

CHAPTER 6: PROGRAM RECOGNITION

Providing program acknowledgement through signs, plaques, and written materials helps local residents and visitors to the community see the benefits of the MNRTF and its long-term importance to Michigan's recreation estate. They also serve as a reminder to future local officials and park personnel that the park has long-term grant obligations.

PLAQUE/SIGN REQUIREMENTS

All grantees are required to install and maintain a permanent MNRTF plaque at the entrance to the project area. The order form for the required MNRTF plaque is included in Appendix F (**NOTE: At time of printing this document, the order form was not available. Contact Grants Management for more information**). The plaque must be installed by the time of project completion and a photograph of the entrance sign with the installed plaque must be included with the final reimbursement request.

ADDITIONAL RECOGNITION EFFORTS

We also encourage you to acknowledge the role of the MNRTF program in written materials. Program recognition language can be included in materials such as park brochures and maps, press releases, grand opening announcements, park posters, interpretative signs and displays, and annual reports. Materials specific to the grant-funded area as well as written materials about the community's overall parks and recreation program can include acknowledgement of the MNRTF.

You do not need to make arrangements to publish new or additional materials when you receive an MNRTF grant, but we do encourage you to include recognition of the program in materials you would normally publish. Recognition of the MNRTF program can be added to existing publications as they are updated and reprinted. Including program recognition in written materials is encouraged, but not required.

CHAPTER 7: LONG-TERM OBLIGATIONS

The obligations associated with the acquisition grant you have received do not end with final reimbursement. Your project agreement includes long-term obligations regarding the project area.

The most significant long-term obligations include:

- ❖ You must keep the entire project area in **public outdoor recreation use in perpetuity**. Other government buildings (for example, libraries and fire stations), utility structures (including cellular towers), or indoor recreation facilities are not allowed;
- ❖ The project area and facilities must remain open and accessible for public use at all appropriate times, based on the type of area and facilities, excluding temporary closures for renovation or other purposes;
- ❖ Preferential membership or permit systems are prohibited, with the exception that differences in admission and other fees may be instituted on the basis of residency. "Residents only" policies are prohibited;
- ❖ You must receive approval from the MNRTF Board before transferring ownership or control of any portion of the project area to another entity;
- ❖ You must maintain the project area and facilities, so that they are attractive, inviting, and safe;
- ❖ Prior DNR approval is required to make any significant changes to the type of recreation provided for at the project area, such as converting a natural area to an active sports complex;
- ❖ You must seek approval from the MNRTF Board to name the site after any person, living or dead.

Changes to the project area that are contrary to the terms of the project agreement are termed **conversions**. If you are contemplating any changes that conflict with the long-term obligations included in your project agreement or if you foresee any unavoidable changes, contact Grants Management as soon as possible. The MNRTF Board has adopted policies and procedures that govern the approval of conversions of the project area, in most cases with mitigation. The primary form of mitigation for a conversion is replacement of the converted property with property of at least equal monetary, recreational, and resource protection value. Other forms of mitigation are approved less frequently.

The DNR will perform periodic inspections of the project area and facilities to determine your compliance with all long-term obligations specified in your project agreement. You will be notified of any problems we identify and you will be asked to address them within a reasonable timeframe.

The Michigan Natural Resources Trust Fund program celebrated its 30 year anniversary in 2006. The federal Land and Water Conservation program has an even longer history since its establishment by Congress in 1964. Over the years, it has become common for a single park to have received numerous grants through these and other recreation grant programs administered by the DNR. Therefore, your long-term obligations at any of your parks may be governed by more than one grant program and project agreement. We strongly encourage you to contact Grants Management for information on your community's recreation grant obligations before pursuing a change or conversion.

Enjoy your park!



APPENDIX A: PURCHASE OPTIONS AND AGREEMENTS

NOTE

- Under no circumstances may a grantee close or take title to the property prior to receiving DNR approval to proceed with closing on the property.
- Any payments made to the landowner or any other costs associated with a purchase agreement or option that are made prior to approval by the DNR or are above and beyond the fair market value of the grant-assisted property are not eligible for reimbursement.

The procedure described in this section applies only to those grantees that want to enter into a purchase agreement or option with the landowner prior to receiving DNR approval to proceed with the acquisition. For the purpose of these procedures, a purchase option or agreement means a written document that is an agreement between the grantee and the landowner to sell/purchase the property in the future if certain conditions are met. Purchase options or agreements that are allowed under these procedures do not include a final purchase contract.

It is entirely within the discretion of the grantee and the landowner to enter into a purchase agreement or option. Given the considerable time lag between a grant being recommended for funding and a community being approved to proceed with the acquisition, extreme caution should be taken when committing to close on the property or to make payment to the landowner by a specific date. While Grants Management will make every effort to assist you in meeting deadlines, our approval to close on the property will only be granted once you have completed all grant requirements and only within the timeframe of the project agreement. Thus we cannot guarantee that we will be able to give approval to close by any specified deadline within the purchase option or agreement.

Prior to executing a purchase agreement or option, the grantee and the landowner must review and complete a Disclosure and Certification Statement for Purchase Agreements and Options (PR 1923-2; included in Appendix F).¹ If this document is not completed and executed by the grantee and the landowner prior to the execution of a purchase agreement or option, the property will be ineligible for MNRTF assistance.

When making the decision to enter into a purchase option or agreement, keep the following in mind:

- The final grant amount will be no more than the amount approved by the MNRTF Board and no more than a percentage of the final eligible costs, based on the level of match committed by the community (whichever is less).
- The DNR will not take into consideration the price set in a purchase agreement or option when determining the fair market value of the property.
- If the price set forth in the agreement or option is less than the DNR-approved fair market value for a property, the landowner will be required to sign a Waiver of Just Compensation form at the time of the acquisition for the local government to be eligible to seek reimbursement from the DNR.
- If the price set forth in an option or agreement is in excess of the DNR-approved fair market value and/or the grant amount and applicant's match commitment, the grantee is solely responsible for the additional costs.

The DNR does not approve purchase options or agreements; however, Grants Management, upon request, will review drafts to determine if the option or agreement includes any provisions that would make you ineligible to receive grant funds or if any terms of the option or agreement would be extremely difficult or impossible to carry out in accordance with your project agreement or DNR acquisition project procedures. We will also advise you as to which payments (if any) associated with the option or agreement would be eligible for reimbursement.

¹ The document included in this booklet is specifically for use by communities that have been recommended for an MNRTF grant. Another version of this document (PR 1923-1) should be used by communities that are applying for MNRTF assistance.

APPENDIX B: SAME DAY REIMBURSEMENTS

Grantees may request in writing to be reimbursed for all eligible acquisition costs (90 percent of the grant amount earned) on the day of closing on an acquisition. This procedure usually requires you to travel to DNR offices in Lansing to pick up the reimbursement check after closing on the property.

Following approval of your request by the DNR, submit draft copies of the following:

1. All MNRTF forms and other closing paperwork, completed to the extent possible
2. A copy of the title insurance commitment
3. A draft copy of the property deed (must be a warranty deed)
4. A draft copy of the mineral royalty interest deed (if applicable)

The DNR will require a minimum of five days to review the submitted paperwork. Additional time will be required if the submittal is incomplete. Once all paperwork has been reviewed and approved, you will be notified; at that time a date for closing can be established. This date must allow a minimum of four working days for the DNR to prepare the reimbursement check. To receive reimbursement, you must bring to the DNR offices all completed and signed paperwork. This paperwork must include:

1. The original Statement of Just Compensation form
2. Copies of all other MNRTF forms and other closing paperwork
3. A copy of the tax proration schedule
4. A copy of both deeds, stamped as received by the appropriate county register of deeds

We will conduct a review of the paperwork on the spot. If everything is complete and consistent with the paperwork initially reviewed, we will release the reimbursement check (90 percent of the grant amount earned) to you.

Once you have available to you, submit to the DNR:

1. A copy of the recorded deed and the original recorded mineral royalty interest deed
2. A copy of the title insurance policy
3. Copies of all cancelled checks (front and back)
4. A picture of the MNRTF plaque installed on an entrance sign
5. Copies of paid tax bills

The final ten percent of the earned grant amount will be mailed to you once we receive this documentation and the project has been audited and approved by the DNR.

APPENDIX C: MICHIGAN DEPARTMENT OF NATURAL RESOURCES APPRAISAL REPORT STANDARDS

All appraisal requests involving DNR funding programs are to be complete summary appraisals in narrative format. Specific DNR authorization is necessary for variation from these requirements. Appraisals must be prepared and signed by a **Certified General Appraiser** and when received by the DNR will be reviewed by Certified General Appraisers for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

All reports will be Complete Appraisals, of either a Self-Contained (not-recommended) or Summary type in narrative format. The report should be printed on a good grade of bond, 8½" X 11" letter size format, and bound with a transparent front cover with a readily visible title page showing parcel identification, acreage, township, county, ownership, and case number when provided. Proof read the appraisal to avoid retention of information from a previous appraisal (boiler plate usage), typos, sentence structure, transposition, etc.

The DNR must be indicated as one of the intended users of the appraisal. As stated in USPAP Standards Rule 3-1(a), reviewers cannot concur or differ from values indicated, but are concerned with the appraisal process in meeting USPAP standards whereby the appraiser's research, support data, analyses, and logic, have lead to a credible conclusion.

It is imperative that locations of subjects and comparables are defined by legible maps, legal descriptions (within reason), and use of nearby addresses or local landmarks to aid in locating. Descriptions will show size, shape, dimensions, road frontage, legal access information, etc. Always have photos, maps with specific locations indicated so the reviewer is able to view the actual site not merely the general area. Sales, rentals, ratios, discounts, etc. are to be documented. Highest and best use is to be fully developed with a thorough discussion of the four criteria (legally permissible, physically possible, financially feasible, and maximally productive). ***Please keep email addresses/fax numbers up to date with the Real Estate Services Section; these are the primary mode of communication for clarification and data transfer.***

Note: If federal funding is a potential source for the project, it would be prudent for the appraiser to view and follow "Yellow Book" appraisal requirements. A full copy of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) may be viewed or downloaded at www.usdoj.gov/enrd/land-ack/yb2001.pdf.

PART I – INTRODUCTION

- A. Title Page
 - 1. Name and location of property, project, township and county
 - 2. Name of appraiser
 - 3. Effective date of the appraisal
- B. Table of Contents
 - 1. Number report pages from cover to cover
 - 2. List titles and corresponding page numbers
- C. Summary page
 - 1. Name of project
 - 2. Location – Road, section, township, county
 - 3. Ownership identification
 - 4. Name of appraiser, professional designation, type of certification and certification number, business address, email address, fax number, and telephone number
 - 5. Dates of field work – all days spent in the area
 - 6. Date of property inspection
 - 7. Effective date of appraisal – normally it would be the last time the subject property was inspected
 - 8. Reporting format – prominent statement of which kind of report and which reporting format is used, in accordance with USPAP Standard Rule 2-2

9. Interest being appraised
 10. Purpose of report
 11. Intended use and list of intended users
 12. Size, in acres, unless otherwise evaluated
 13. Highest and best use
 14. Appraised value(s)
- D. Statement of Limiting Conditions and Critical/Extraordinary Assumptions
- E. Statement of Co-authorship – acknowledge assistance received by other persons in arriving at the analysis, conclusions, or opinions concerning real estate contained in the appraisal report.
- F. Scope of Appraisal – summarize the extent of the process in which data are collected, confirmed and reported. The appraiser should briefly describe the valuation process relied on in the final conclusion of value. Real estate listing/sale services are not adequate in meeting information requirements for sale comparables used. Verifications, liber/page, and copy of deeds are required.
- G. Precise location maps and photographs of the subject

PART II – FACTUAL DATA

- A. Purpose – Define value being estimated and property rights appraised
- B. Exposure/marketing time (excluded when meeting UASFLA requirements)
- C. Intended use and intended users of the report
- D. Function
- E. Date of inspection
- F. Full legal description (required)
- G. Economic Foundation
1. Market area of influence
 - a. Employment
 - b. Cultural facilities or stability
 - c. Social
 - d. Educational
 - e. Aesthetic
 2. Neighborhood
 - a. Force at work causing change or stability
 - b. Present neighborhood use
 - c. Zoning and other restrictions
- H. Property Data
1. Site
 - a. Current equalized values, assessments, taxable values, and annual property taxes
 - b. Photographic display of the entire property, particularly of any rivers, streams, etc. or any dump sites, or any other unique feature
 - c. Survey or tax map showing critical dimensions
 - d. Present use
 - e. Topography
 - f. Soil and drainage characteristics
 - g. Area
 - h. Road frontage, or water frontage, and access
 - i. Ground cover
 - j. Utilities

- k. List any or all easements, leases, permits, enrollment in programs (i.e. PA 116, etc.), and mineral rights and deposits
- l. History – including offers to buy, sell, and listings with asking price. Refer to USPAP Standards Rule 1-5, a & b, regarding requirements in considering subject's sales history
- m. Zoning – describe present zoning for the subject including any reasonably probable changes that may influence value. Specify development potential (legal splits, etc.)
- n. Provide name and addresses of all parties of interest
2. Improvements – include a site plan and a floor plan
 - a. Major land improvements such as dams, irrigation systems, etc., and minor land improvements such as wells or fencing
 - b. Size of any and all structures
 - c. Condition and quality
 - d. Physical and effective age, functional and economic obsolescence, stigmas, marketability, etc.
 - e. Type of construction
 - f. Special amenities, utilities, heating/cooling, basements, slabs, etc.
 - g. Equipment, if any – describe utility, obsolescence, and repair or replacement requirement

PART III – ANALYSIS AND CONCLUSIONS

- A. Highest and Best Use – Include a definition of highest and best use and a determination of this use. Based on the following four criteria:
 1. What uses are legally permissible?
 2. Of those legally permissible uses, which are physically possible?
 3. Of those legally permissible and physically possible uses, which uses can be proven to be financially feasible?
 4. Of the uses shown to be legally permissible, physically possible, and financially feasible, which use will generate the greatest net income or prove to be maximally productive?
- B. Appraisal Approaches to Value – Consideration will be given to the three standard approaches to value. It is not necessary to employ an approach that cannot be relied on as a reasonable, accurate indication of value. The appraiser must explain the reasons for not using any of the standard approaches.
 1. Sales Comparison Approach – based on analysis of recent confirmed (provide documentation) sales of comparable properties. The comparable sales analysis section should include:
 - a. A sales introduction and identification, site size, shape, access frontage, etc.
 - b. Photographing comparables is required on vacant as well as improved properties.
 - c. Discuss the reliability and similarity of the comparable to the subject
 - d. Sales to governmental agencies or condemning authorities should be avoided
 - e. A general market analysis of these sales addressing the significant elements of value
 - f. A comparison of sales with subject – the use of tables, charts or graphs to augment the narrative are required
 - g. A final indication of value. Regardless of charts, tables or graphs, a narrative comparison of the pertinent market data with the subject is still required. The narration should clearly and concisely demonstrate the reasoning behind the appraiser's final indicated value from the sales comparison approach.

NOTE: Sales adjustments should be derived from a cross-comparison (pairing) of sales which consistently reflect these same differences, or from other market sources. Specific adjustments become weak if they are relatively large and not derived directly from market data. Market data support with discussion is necessary when any single adjustment to a comparable exceeds 30%.

2. Income Approach – based on the capitalization of the net income generated from the subject. A value estimate by the income approach shall include adequate factual data to support all components of income and expenses. Supporting data should include:
 - a. Estimated gross economic rent or income
 - b. Allowances for vacancy and credit losses
 - c. An itemized estimate of total expenses including reserves for replacement.Capitalization of net income shall be at the rate prevailing for this type of property and location. Actual, rather than estimated, rents from the comparable sales should be used whenever possible. The capitalization technique, method and rate used shall be explained in narrative form supported by a statement of sources of rates and factors.
3. Cost Approach – based on replacement or reproduction cost new (whichever would be applicable) of the improvements or building, less applicable depreciation, plus the value of the land. All work shall be in the form of computed data, arranged in sequence, beginning reproduction or replacement costs, and shall state the source, book and page of all figures used. The dollar amounts of physical deterioration and functional and economic obsolescence, or the omission of same, shall be explained in narrative form.
- C. Correlation and Final Estimate of Value – one of the final steps in the analyses and conclusions portion of the report will be a narrative correlation of the indications of value into a final estimate of value. When only one approach is used, the correlation will serve as:
 1. A summary of the most pertinent data of the particular approach.
 2. The appraiser's conclusion of market value. Provide a summary to explain the strengths and weaknesses of each approach and the weight each is given.
- D. Certification
- E. Assumptions and Limiting Conditions
- F. Include your credentials

PART IV – EXHIBITS AND ADDENDA

This section is for maps, plats, sales sheets, deeds, photographs, and other pertinent information that are lengthy and would hinder the flow of the report. Also required is a comparables sales map of suitable detail to assist the report's reader/user to visualize, compare, and locate all properties discussed. Sales data sheets detailing buyer/seller information, source of verification, consideration, terms, date of transaction, legal description, description of physical characteristics relative to all elements of adjustment, and income and expense data relative to extraction of overall capitalization rates are required. It is imperative to verify sales and income data.

APPENDIX D: RELOCATION COSTS

The information in this chapter was excerpted from the Michigan Department of Transportation document "Your Rights and Benefits When Displaced by a Transportation Project." The information is aimed at persons that are displaced as a result of government acquisition of their land that includes a residence, business, farm or nonprofit organization. The information may not be relevant for all MNRTF projects.

Local governments acquiring land with MNRTF assistance that includes relocation issues should provide a copy of this chapter to displaced persons.

All relocation determinations and transactions are between the local government and the landowner. The DNR is not involved in determining relocation benefits or making payments to landowners. MNRTF grantees are required to make all appropriate relocation payments to displaced persons and to provide documentation of the costs incurred during the project period to the DNR with your final reimbursement request package. Partial reimbursement for eligible relocation payments will be made by the DNR to the degree provided for under the grant.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 provide for certain benefits and payments to displaced persons (landowners and tenants) which results from the sale of land to a government agency (federal, state or local). Guidance to assist communities, landowners, and tenants in determining benefits and payments is provided below.

For projects that include relocation costs, the grantee must list these costs on the *Reimbursement Request* (PR 1922, Appendix F) and include documentation that the costs were paid. Relocation costs are eligible for reimbursement at the established grant rate, to the degree that they do not cause the total reimbursement to exceed the approved grant amount.

The law provides for benefits and payments for which displaced persons may be eligible in the following areas:

1. Replacement Housing Payments and Related Costs.
2. Residential Moving and Related Expenses.
3. Moving and Relocation Assistance for Businesses, Farms or Nonprofit Organization properties.

REPLACEMENT HOUSING PAYMENTS AND RELATED COSTS

Replacement Housing payments are based on a "Comparable Replacement" that is "Decent, Safe and Sanitary" as determined by the government agency that is acquiring the property.

Comparable housing must be similar to the displaced persons' present dwelling and it should be:

- Large enough to accommodate the occupants;
- In an area with favorable environmental conditions (e.g., clean air and water);
- Supplied with public utilities;
- Reasonably accessible to your place of employment;
- Available in the private market;
- Within their financial means.

A comparable replacement must also be a decent, safe, and sanitary dwelling that meets all of the following minimum requirements:

- Conforms to state and local housing codes and ordinances;
- Has a continuing and adequate supply of safe drinking water;
- Has a kitchen with connections for a cooking stove and refrigerator, and a sink connected with hot and cold water and an adequate sewage system;
- Has a heating system adequate to maintain a temperature of about 70 degrees F;
- Has a well-lighted and ventilated bathroom that contains a lavatory, bathtub, or shower stall connected with hot and cold water and a flush toilet, all properly connected to a sewage disposal system;
- Has an adequate electrical wiring system in each room.

- Is structurally sound, weather tight, in good repair, and adequately maintained;
- Has two safe unobstructed means of exit leading to safe open space at ground level;
- Is large enough with respect to the number of rooms and area of living space needed to accommodate the person or family;
- Is free of any barriers which prevent reasonable use of the dwelling by a person with a disability.

CLAIM FILING AND ELIGIBILITY REQUIREMENTS

Homeowners must purchase and occupy a decent, safe, and sanitary dwelling within a year from the latter of:

- (1) The date the comparable homes for sale are made available to them; or
- (2) The date of the final payment for the government-acquired dwelling.

Tenants must occupy a decent, safe, and sanitary dwelling within one year of their date of move. After the moving requirement date has been established, tenants have six months to file claim(s).

COMPUTATION OF HOUSING SUPPLEMENT

As an example, assume a local government receiving MNRTF assistance purchased a home for \$75,000. After a search of comparable dwellings on the market, the local government determined that a replacement home will cost \$80,000. The maximum housing supplement is \$5,000.

EXAMPLE:

Acquisition Price	\$75,000
Housing Supplement	<u>+ 5,000</u>
Comparable Replacement Home	\$80,000

If the purchase price exceeds the comparable replacement cost, the homeowner must pay the excess.

EXAMPLE:

Replacement Home	\$85,000
Comparable Replacement Home	- <u>\$80,000</u> includes housing supplement
Homeowner's Excess Cost	\$ 5,000

If the purchase price is lower than the replacement cost, the housing payment is based on actual cost.

EXAMPLE:

Replacement Home	\$78,000
Acquisition Price	- <u>\$75,000</u>
Housing Supplement	\$ 3,000

To claim the replacement housing supplement, a copy of the purchase agreement, land contract, deed, and an inspector's certification of code compliance is required. If the displaced person is building the replacement house, a copy of the deed for the land, construction contract, occupancy permit and copies of bills and/or paid receipts will be required.

RENTAL SUPPLEMENT – OWNER/OCCUPANTS AND TENANTS OF 90 DAYS OR MORE

If the displaced person wishes to rent a replacement dwelling, they may be eligible to receive a rental supplement. To receive this payment:

- The displaced person must have lived in their home for 90 days or more before the offer to purchase is made by the local government; and
- The displaced person must follow the claim filing time limits.

The rental payment is to help the displaced person pay the increased costs, if any, that are incurred in renting a replacement dwelling. Proof of income may be required. The amount of the rental payment may not exceed \$5,250.

Computation of Rental Supplement

Suppose the displaced person has been paying \$400 per month including utilities for the dwelling they occupy. After a study of the rental market, the local government determines that a comparable replacement will cost \$430 including utilities. The maximum rental payment supplement in this case is \$30 per month for 42 months, or \$1,260.

EXAMPLE:

Comparable Replacement	\$430
Current Rent + Utilities	<u>- 400</u>
Maximum Rental Supplement	\$ 30 x 42 months = \$1,260

Should the displaced person select a replacement dwelling which rents for more than the comparable replacement, they will be paid on the basis of comparable cost.

EXAMPLE:

Replacement	\$450
Comparable Replacement	<u>- 430</u>
Tenant's Excess Cost	\$ 20 per month

If the replacement dwelling rents for less than the comparable replacement, the rental supplement is based on actual cost.

EXAMPLE:

Replacement	\$415
Current Rent + Utilities	<u>- 400</u>
Rental Supplement	\$ 15 x 42 = \$630

To claim the rental supplement, a copy of the lease or one month's rent receipt and an inspector's certification of code conformity is required. Tenants of 90 days or more may use the rental supplement as a purchase down payment, if they desire to do so.

PURCHASE DOWN PAYMENT – OWNER/OCCUPANTS OF 90 TO 179 DAYS AND TENANTS OF 90 DAYS OR MORE

The displaced person may be eligible to receive a \$5,250 payment to help make the down payment required to purchase a home. The payment is determined by the amount of their rental supplement. It may be split and applied to both down payment and certain incidental closing costs. For instance, \$4,000 may be used for a down payment, and \$1,250 may be applied toward some of the closing costs. To obtain the full amount, the entire purchase down payment must be applied to the purchase.

To claim the purchase down payment, a copy of the purchase agreement, land contract, deed, and an inspector's certification of code compliance is required. If the displaced person is building the replacement house, a copy of the deed for the land, construction contract, occupancy permit, and copies of bills and/or paid receipts will be required.

INCIDENTAL EXPENSE REIMBURSEMENT FOR A REPLACEMENT MORTGAGE

This payment is designed to reimburse the additional expense of securing a replacement mortgage.

ELIGIBLE EXPENSES

- Mortgage appraisal
- Assumption fee
- Commencement notice
- Mortgage insurance (limited to balance of existing mortgage)
- Notary fees
- Recording fees
- Survey cost to secure a mortgage
- Loan origination fee (limited to balance of existing mortgage)
- Mortgage application fee
- Mobile home sales and transfer tax (not to exceed cost of highest comparable)
- Closing fee
- Credit report
- Discount points (limited to balance of existing mortgage)
- Document preparation fee
- Inspections
- Legal fees
- Mortgage title insurance (limited to highest comparable)
- Tax service fee

To claim reimbursement for incidental or closing costs, a copy of the closing statement, deed, or land contract, and a copy of the inspector's certification of code compliance is required. If there is no existing mortgage, most of these costs are ineligible for payment. Prepaid taxes, prepaid insurance, and prepaid interest are not eligible for reimbursement.

INCREASED INTEREST DIFFERENTIAL

If the displaced person purchases a new home and is required to pay a higher interest rate than on their existing mortgage, they may be reimbursed for the extra cost. This payment is based on the difference between the old and new mortgage rates for the length of the shorter mortgage.

RESIDENTIAL MOVING AND RELATED PAYMENTS

Displaced individuals and families may choose to be paid on the basis of actual, reasonable moving costs and related expenses, or according to a fixed moving cost schedule. Actual reasonable moving expenses will be paid when the move is performed by a commercial mover. Reimbursement is limited to a distance of 50 miles.

ELIGIBLE RESIDENTIAL MOVING AND RELATED EXPENSES

- Transportation costs to the new location
- Packing, crating, unpacking, and uncrating of personal property
- Charges for the removal and hookup of appliances
- Storage of personal property (with pre-approval and limited to one year)
- Insurance costs while personal property is in storage
- Other related expenses

The displaced person may choose to be paid on the basis of the fixed moving cost schedule. The amount of the payment is based on the number of rooms in their dwelling. If they choose this option, expenses need not be supported by bills. This payment is intended to include all moving and related expenses.

RELOCATION OF A BUSINESS, FARM, OR NONPROFIT ORGANIZATION

If a local government receives MNRTF assistance in buying real estate and a business, farm, or nonprofit organization is displaced, the displaced entity may be eligible to receive business relocation payments for:

- Re-establishment
- Moving
- Fixed Payment (in lieu of re-establishment and moving)

CLAIM FILING FOR BUSINESSES, NONPROFITS, AND FARMS

All claims for relocation benefits shall be filed within eighteen (18) months after:

- For business tenants, the date of displacement.
- For business owners, the date of displacement or the date of final payment for the acquisition of the real property, whichever is later.

All claims for relocation benefits shall be supported by such documentation as may be reasonably required to support expenses incurred such as bills and receipts or other certified documents.

BUSINESS RE-ESTABLISHMENT

This payment is designed to help small businesses (0-500 employees) and landlords re-establish at a different location. It is limited to \$10,000.

Eligible expenses include:

- Repairs or improvements to the replacement real property as required by law, code, or ordinance.
- Modifications to the replacement property to accommodate the business or make the replacement structure suitable for conducting the business.
- Construction and installation of exterior signs to advertise the business.
- Providing utilities from the right-of-way to improvements on replacement site.
- Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.
- Licenses, fees and permits when not paid as part of moving expenses.
- Feasibility surveys, soil testing, and marketing studies.
- Advertisement of replacement location.
- Professional services in connection with purchase or lease of a replacement site.
- Estimated increased costs of operation during the first two years at the replacement site (e.g., rent, utilities, taxes, and insurance).
- Impact fees or "one time" assessments for anticipated heavy utility usage.

Ineligible expenses include:

- Purchase of capital assets, such as office furniture, filing cabinets, machinery, trade fixtures, etc.
- Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.
- Interior or exterior refurbishment at the replacement site which is for aesthetic purposes.
- Interest on money borrowed to make the move or purchase the replacement property.
- Payment to a part-time business in the home that does not contribute materially ² to the house income.
- Cost of new construction.

MOVING COSTS FOR A BUSINESS, FARM, OR NONPROFIT ORGANIZATION

Business moving cost reimbursement may be based on an actual (commercial) move or a self move. This payment is designed to cover the expense of moving personal property owned by the business as well as certain costs associated with the move.

Eligible costs include:

- Transportation (up to 50 miles).
- Packing and crating, unpacking, and uncrating.
- Disconnecting and reconnecting.
- Storage (pre-approved by the DNR and up to 12 months).

² "Contribute materially" is defined as having two years average annual gross receipts of \$5,000, average annual net earning of \$1,000, or contributing at least 33-1/3rd percent of the owner's annual gross household income from all sources.

- Insurance for personal property moved.
- Replacement value of property lost, stolen, or damaged through no fault of displacee, when insurance is not available.
- Actual loss of personal property resulting from the move or discontinuance of business in an amount that is the lesser of: 1) the fair market value of item for continued use less any proceeds from sale; or 2) estimated cost to move it.
- Cost to sell items not relocated.
- Licenses, permits, or certifications (remaining life prorated).
- Relettering signs and stationary on hand made obsolete by the move.
- Purchase of substitute personal property, in an amount that is the lesser of: 1) the (Purchase Price) + (Installation Cost) – (Proceeds from sale of original item); or 2) estimated cost to move.
- Search for replacement site (up to \$1,000): transportation, meals, lodging, time, and fees paid to real estate agent to locate replacement site.
- To claim the reimbursement, copies of paid bills or receipts must be provided. Bills and receipts relating directly to the move of personal property must include the following when applicable: an itemized inventory, number of cartons/containers of miscellaneous items, estimated weight and/or cubical content, type of equipment to be used, number of movers, number of hours and hourly rate for equipment and personnel, and all other charges used in arriving at a total cost.

SELF MOVE OF A BUSINESS, FARM OR NONPROFIT ORGANIZATION

If the displaced business, farm, or nonprofit organization decides to move itself, payments will be based on an estimate from a qualified mover. If the estimate exceeds \$10,000, a second estimate will be required. An approved inventory must be provided to support the estimates. The payment is usually based on the lower estimate.

FIXED PAYMENT FOR A BUSINESS, FARM, OR NONPROFIT ORGANIZATION

A displaced business, farm or nonprofit organization may receive a fixed payment based on income in lieu of a payment for moving and re-establishment expenses if it:

- Owns or rents personal property displaced by the project and the business actually vacates or relocates from its site.
- Cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings).
- Is not part of a chain and more than three other entities which are:
 - (1) not being acquired, AND
 - (2) under same ownership, AND
 - (3) engaged in same or similar business.
- Is not in the business of renting sites or dwellings to others.
- Contributed materially to income of the business owner the previous two years.

The amount of the fixed payment is based on the average annual net earnings of the displaced business or farm. The payment amount for a nonprofit organization is based on an average of two years' gross revenues less administrative expenses. The fixed payment may not be less than \$1,000 or more than \$20,000.

A displaced business or nonprofit organization must be able to show a bona fide operation to claim a payment based on income in lieu of moving and related expenses. If only a portion of a property is acquired by the government, a business or nonprofit organization will not be eligible for this payment if it is determined that continued operation is economically possible on the remaining property. In the case of a partial acquisition of land from a farm operation, a fixed payment will be made only if the acquisition results in the farmer being displaced from the operation on the remaining land, or if it substantially changes the nature of the farm operation.

Copies of two years' income tax returns and a statement indicating why the business cannot be relocated without a substantial loss of clients and/or income should be submitted with the claim.

INELIGIBLE MOVING EXPENSES FOR ALL ENTITIES

In the case of residences, businesses, farms, and nonprofit organizations, the following expenses are not eligible for reimbursement:

- The cost of moving structures or improvements reserved by the owner.
- Interest on a loan covering moving expenses.
- Loss of goodwill.
- Loss of profit.
- Loss of trained employees.
- Additional operating expenses in a new location (except those covered under re-establishment expenses).
- Personal injury.
- Legal fees to prepare relocation claims, or for representation before the DNR.
- Expenses to search for a replacement dwelling.
- Physical changes to the business or farm location (except those covered under moving and re-establishment expenses).
- Costs to store personal property on property already owned or leased by the personal property owner.

APPENDIX E: PREPARING A MINERAL ROYALTY INTEREST DEED

REQUIRED FORMAT

Legal Format Requirements for a Mineral Royalty Interest Deed:

- The minimum type size for real estate documents is 10-point type.
- The weight of the paper must be at least 20 pounds.
- The document must be black ink on white paper.
- There is a mandatory 2.5" margin at the top of the first page with ½" margins on the other three sides and ½" minimum margins on attached pages.
- The type, or title, of the document must be identified on the first line of print and only one document type will be indexed per recording.
- The documents and any attachments must be a minimum 8.5" x 11" and maximum 8.5" x 14."

Guidance for Preparing a Mineral Royalty Interest Deed:

- The mineral royalty interest deed must be a warranty deed.
- The name of each person who executes, witnesses, or notarizes the deed must be printed, typewritten, or stamped immediately beneath the signature of the person.
- The address of each person executing the deed shall be printed, typewritten, or stamped upon the face of the document.
- No discrepancy can exist between the name of the person as it appears in the body of the deed (printed, typewritten, or stamped) and the signature of such person.
- The grantor of the mineral royalty interest is the local unit of government.
- The grantee, or the recipient of the royalty interest, is the State of Michigan. The address for the State of Michigan must be legibly printed or typed on the deed. The address should be:

OFFICE OF LAND AND FACILITIES
DEPARTMENT OF NATURAL RESOURCES
PO BOX 30448
LANSING MICHIGAN 48909-7948

- The deed must contain the name and business address of the person who drafted the document.
- The legal description attached to the deed must match the warranty deed for the property, appraisal, *Statement of Just Compensation* document, project agreement and title insurance.

REQUIRED CONTENT

WARRANTY DEED (State Bar of Michigan Form)

The Grantor(s) *(name of the city, village, township or county that received the MNRTF grant)*

convey and warrant to the **STATE OF MICHIGAN**

whose address is **Post Office Box 30448, Lansing, Michigan 48909-7948**

the following described premises situated in the **Township of** _____,

County of _____ **and State of Michigan.**

SUBJECT TO easements and building and use restrictions of record.

GRANTORS CONVEY a perpetual nonparticipating royalty equal to 1/6 of the gross proceeds of sale of all oil and/or gas and other minerals produced and saved in any combination from the mineral rights described in **Exhibit A**. This conveyed royalty shall be determined and paid pursuant to the terms specified in **Exhibit B**.

The terms of this conveyance shall extend to the heirs, executors, administrators, successors, and assigns of the parties hereto.

Tax ID No. _____

For and in consideration of

Dated this _____ day of _____, _____

Signed in the presence of:

Signed By:

Signature

Signature

Typed Name

Typed Name

Relationship

Signature

Signature

Typed Name

Typed Name

Relationship

(Continued on next page)

MINERAL ROYALTY INTEREST DEED - REQUIRED CONTENTS (Continued)

STATE OF MICHIGAN)
) ss
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of 200__, by

_____ and _____.

(Name 1) (Name 2)

Notary Public, _____ County,

My Commission Expires:

Prepared by:

After recording, return the original deed to:

GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925

(Continued on next page)

MINERAL ROYALTY INTEREST DEED - REQUIRED CONTENT (Continued)

Exhibit "A" of the Mineral Interest

Attached to and made a part of that Warranty Deed (covering Minerals) dated _____ from _____ as grantor to the State of Michigan as grantee.

Description of the lands covered (legal description) and the attached boundary map:

containing _____ mineral acres more or less.

The royalty interest pertains to the following existing mineral lease(s) that transferred to the grantor with acquisition of the mineral rights:

_____ lease (indicate the mineral type of the existing lease - oil and gas, sand, gravel, etc.) with _____ (name of the lessee) dated _____ and recorded in Liber _____, Page _____, _____ County records.

(Continued on next page)

MINERAL ROYALTY INTEREST DEED - REQUIRED CONTENT (Continued)

Exhibit "B" of the Mineral Interest

NONPARTICIPATING ROYALTY PAYMENT TERMS - (Continued)

1. Definitions:

- a. "Gas" means a mixture of hydrocarbons and varying quantities of nonhydrocarbons in a gaseous state which may or may not be associated with oil, including those liquids resulting from condensation; including, but not limited to, natural gas and casinghead gas.
- b. "Gross Proceeds" means the total moneys and other consideration accruing to an oil and gas Lessee for the disposition of the oil, gas, or plant products produced. Gross proceeds includes, but is not limited to, payments to the Lessee for certain services such as compression, dehydration, measurement, and/or gathering which the Lessee is obligated to perform at no cost to the Nonparticipating Royalty Owner to place lease products in marketable condition. Where lease products are sold to an affiliated person or entity, gross proceeds are equivalent to the gross proceeds derived from, or paid under, comparable arm's-length contracts for purchases, sales, or other dispositions of like-quality lease products from the same field or area. In evaluating the comparability of arm's-length contracts for purposes of this Agreement, the following factors shall be considered: price, time of execution, duration, market or markets served, terms, quality, volume, posted prices, prices received for arm's-length spot sales, other reliable public sources of price or market information, and such other factors as may be appropriate.
- c. "Lease Products" means any leased minerals attributable to, originating from, or allocated to this Lease.
- d. "Marketable Condition" for gas means sufficiently free from impurities, except CO₂, H₂S, and N₂, and otherwise in a condition that it will be accepted by a purchaser under a sales contract typical for the field or area.
- e. "Marketable Condition" for oil means sufficiently free from impurities and otherwise in a condition that it will be accepted by a purchaser under a sales contract typical for the field or area.
- f. "Oil" means natural crude oil or petroleum and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir, including, but not limited to, oil, casinghead gasoline, drip gasoline and natural gasoline extracted from natural gas.

2. Royalties

The Nonparticipating Royalty shall be determined and paid as follows:

- a. The Nonparticipating Royalty Owner shall be paid a royalty equal to one-sixth (1/6th) of the gross proceeds of sale of all oil and/or gas produced and saved in any combination from the leased premises as further set forth below.
- b. The lease products shall be placed in marketable condition at no cost to the Nonparticipating Royalty Owner. The value of gross proceeds shall be increased to the extent that the gross proceeds have been reduced because the purchaser, or any other person, is providing certain services the cost of which is the responsibility of the Lessee to place lease products in marketable condition.
- c. At the sole option of the Nonparticipating Royalty Owner, and in lieu of royalty payments upon oil and/or gas produced and saved, the Nonparticipating Royalty Owner shall be delivered the credit free of cost the equal one-sixth (1/6th) part of all oil and/or gas produced and saved under the terms of the Lease to facilities to which the wells may be connected.

(Continued on next page)

MINERAL ROYALTY INTEREST DEED - REQUIRED CONTENT (Continued)

NONPARTICIPATING ROYALTY PAYMENT TERMS - (Continued)

- d. Payments specified must be made on or before the twenty-fifth (25th) day of the first month following oil production sale or the second month following gas and/or plant products sale. Payments made after the due date shall include interest at the rate of 1.5% per month, or at the maximum legal rate, whichever is less, on the amount of royalty unpaid. A full month's interest will be charged for late payments received during any portion of the month in which late payment is received.
- e. Should oil be produced from any well, the gross proceeds of sale of lease products of such oil shall be free to the Nonparticipating Royalty Owner of any cost to whichever point is first encountered: 1) the point of sale to an independent nonaffiliated third party purchaser; or 2) to an affiliated purchaser, provided the sale is at prevailing market rates; or 3) the point of entry into an independent nonaffiliated third party owned pipeline system; or 4) the point of entry into an affiliate-owned pipeline system, provided transportation rates are at prevailing market rates. Upon request by the Nonparticipating Royalty Owner, written justification of charges must be submitted and agreed to in writing by the Nonparticipating Royalty Owner.
- f. Should gas, including casinghead gas, be produced and saved from any well, the gross proceeds of sale of lease products of said gas shall be free to the Nonparticipating Royalty Owner of any cost to whichever point is first encountered: 1) the point of entry into a facility to remove CO₂, H₂S, and N₂, or obtain plant products; or 2) the point of entry into an independent nonaffiliated third party-owned pipeline system; or, 3) the point of entry into a pipeline system owned by a gas distribution company, or any subsidiary of such gas distribution company, which is regulated by the Michigan Public Service Commission; or 4) the point of entry into an affiliated pipeline system, if the rates charged by such pipeline system have been approved by the Michigan Public Service Commission, or if the rates charged are reasonable, as compared to independent pipeline systems, based on such pipeline system's location, distance, cost of service and other pertinent factors. Upon request by the Nonparticipating Royalty Owner, written justification of charges must be submitted and agreed to in writing by the Nonparticipating Royalty Owner.
- g. All royalties accruing to the Nonparticipating Royalty Owner herein shall be without deduction of any costs incurred except as agreed herein. Nonparticipating Royalty Owner's royalty is to be free and clear of all costs, claims, charges and expenses of any nature, including third party post-production costs on or off the premises except as herein provided, and except for the reasonable costs of CO₂, H₂S, and N₂ removal there shall be no deduction for the cost of gathering, separating, dehydrating, compressing or treating the gas to make it marketable. There shall be no deduction for transportation costs prior to entry of gas into a pipeline system as set forth in 2.f. (2) through (4) without the prior written consent of the Nonparticipating Royalty Owner.

As the State of Michigan is not liable for any taxes, no deduction for any taxes may be made in computing the Nonparticipating Royalty to the State.

APPENDIX F: DOCUMENTS (FORMS)

**DISCLOSURE AND CERTIFICATION STATEMENTS FOR PURCHASE
AGREEMENTS AND OPTIONS (PR1923-2)**

STATEMENT OF JUST COMPENSATION (PR1908-1)

OFFER TO PURCHASE (PR1908-8)

OFFER TO PURCHASE (WITH LAND DONATION)/WAIVER JUST COMPENSATION (PR1908-2)

SELLER'S WAIVER OF REIMBURSEMENT OF INCIDENTAL EXPENSES (PR1908-3)

CLOSING STATEMENT (PR1908-9)

ACQUISITION PROJECT REIMBURSEMENT REQUEST (PR1922)

**MICHIGAN NATURAL RESOURCES TRUST FUND PLAQUE ORDER FORM (PR1908-12) – *NOTE: Form
not available at time of printing***



Michigan Department of Natural Resources, Grants Management
Michigan Natural Resources Trust Fund Program

RECOMMENDED GRANT RECIPIENT'S

DISCLOSURE AND CERTIFICATION STATEMENTS FOR PURCHASE AGREEMENTS AND OPTIONS

This information is required by authority of Part 19 of Act 451 of 1994 as amended.

This document is for use by local governments that have been recommended to receive a land acquisition grant from the Department of Natural Resources (DNR) under the Michigan Natural Resources Trust Fund (MNRTF). This document is required if the local government and the landowner choose to enter into a purchase agreement or option prior to being approved by the DNR to proceed with the grant-funded acquisition.

This document must be reviewed, completed and signed by both the local government and the landowner(s) **BEFORE** an agreement or option is executed, or the land is ineligible for MNRTF assistance. The local government is responsible for submitting this completed document and a copy of any executed purchase agreement or option to the DNR. A separate *Disclosure and Certification* document is needed for each parcel.

SECTION A: PROJECT DESCRIPTION (to be completed by the local government)

Local Government pursuing the acquisition:

Name of Local Government's Representative:

Brief description of the real property:

Purpose of the acquisition:

Acreage to be acquired:

County of the real property:

Owner(s) of the real property based on title records:

a.

b.

c.

SECTION B: LEGAL DESCRIPTION (to be completed by the local government)

A legal description for the real property must be attached to this document and reviewed by the landowner(s) and local government before this document is signed.

SECTION C: DESCRIPTION OF THE MNRTF PROGRAM

The following is a summary of the MNRTF program. Detailed written information regarding application requirements and grant procedures are available from the DNR's Grants Management.

Acquisition Procedures and Timing

For local governments recommended to receive an MNRTF land acquisition grant, closing on the property cannot take place until: 1) an appropriation for the project has been approved by the Legislature; 2) the local government (grantee) executes a project agreement with the DNR; and 3) the grantee completes specific steps outlined in the project agreement and DNR procedures. In combination, these steps may take 12 months **or more** from the date the application is recommended.

After a project agreement has been executed, the grantee is required to submit one or two current appraisals of the property that have been completed in accordance with DNR standards. The appraisal(s) are reviewed by the DNR to determine the fair market value of the property for the purposes of the MNRTF grant. The DNR's decisions regarding whether the appraisal meets DNR standards and the fair market value of the property are final and there is no formal appeal process.

Acquisition Procedures and Timing *(continued)*

Before closing on the property, the grantee is required to disclose the DNR-approved fair market value of the property to the landowner. If the grantee and the landowner agree to a purchase price lower than the approved fair market value, the landowner will be asked to sign a "Waiver of Just Compensation."

To receive grant funds, the grantee must close on the property, make payment to the landowner and seek reimbursement from the DNR. Grant applicants make a commitment to cover a percentage (at least 25 percent) of the total project cost as local match. The maximum grant amount is set in the project agreement. If the approved MNRTF grant amount and applicant's match commitment are insufficient to cover the fair market value of the property, the local government will need to cover any additional costs with local funds or withdraw their grant request. Grant amounts will not be increased, however, the grant amount will be reduced if the total eligible costs incurred by the grantee are less than the total costs outlined in the approved grant application.

Purchase Agreements or Options

It is entirely within the discretion of the local government and the landowner to enter into a purchase agreement or option for a property prior to the local government receiving final approval from the DNR to proceed with the acquisition. The DNR and MNRTF Board do not require nor encourage purchase agreements or options.

Under the MNRTF, a purchase option or agreement means a written document that is an agreement between the community (prospective buyer) and the landowner (prospective seller) to sell/purchase the property in the future if certain conditions are met. Purchase options or agreements that are allowed under the MNRTF do not include a final purchase contract. A purchase option or agreement cannot include a commitment to close on the property or make payment to the landowner by a specific date.

IMPORTANT: Under all circumstances, if the grantee takes title to the property prior to receiving DNR approval to proceed with the acquisition, the community will be ineligible to receive a grant. Any payment made to the landowner, such as a down payment or earnest money, prior to receiving DNR approval to proceed with the acquisition, is ineligible for grant reimbursement.

SECTION D: DEPARTMENT OF NATURAL RESOURCES AND MNRTF BOARD DISCLOSURES

In addition to the information presented in the description of the MNRTF program contained on this document, the DNR and MNRTF Board make the following disclosures:

1. Neither is a party to nor have they reviewed or approved any proposed purchase agreement or option.
2. Neither has an obligation to take into consideration the purchase price set forth in a purchase agreement or option when determining the grant award amount or the fair market value of the property to be acquired.
3. If the price set forth in the agreement or option is less than the DNR-approved fair market value, the landowner will be required to sign a "Waiver of Just Compensation" at the time of the acquisition for the local government to be eligible to seek reimbursement from the DNR.
4. If the price set forth in the agreement or option is in excess of the DNR-approved fair market value and/or the grant amount and applicant's match commitment, the local government is solely responsible for the additional costs.
5. Neither has an obligation to abide by or accommodate any proposed purchase dates set forth in a purchase agreement or option.
6. Costs of a purchase agreement or option, including any down payment, incurred prior to the DNR approving the local government to proceed with a grant-funded acquisition are NOT eligible for grant reimbursement.
7. Neither the DNR, the Department of Management and Budget, nor the Michigan Legislature has an obligation to consider the presence of a purchase agreement or option in the appropriations process.

SECTION E: LOCAL GOVERNMENT'S CERTIFICATION

BY SIGNING THIS DOCUMENT THE LOCAL GOVERNMENT HEREBY CERTIFIES THE FOLLOWING:

1. The local government has been notified in writing by the DNR that a grant for the proposed acquisition has been recommended for a grant.
2. The grant award amount (based on a total project cost) is: \$ _____
3. The local government has made a local match commitment as described below:

_____ % _____ (% of total project costs)	\$ _____ _____ (amount of local match)	Sources of local match: _____
---	--	----------------------------------

4. We cannot and have not made any guarantees or indications to the landowner regarding when a grant award will be made or when we can proceed with the acquisition. We understand that the presence and content of any purchase agreement or option entered into between the landowner and this local government has no bearing whatsoever on the grant process, including when a grant award will be made, the fair market value of the property approved by the DNR, or the date by which the DNR will give the community permission to proceed with the acquisition.
5. This document was executed prior to the execution of any purchase agreement or option.

SIGNATURE OF LOCAL GOVERNMENT REPRESENTATIVE:

Local Government Representative signature

Date

SECTION F: LANDOWNER'S CERTIFICATION

BY SIGNING THIS DOCUMENT, THE LANDOWNER(S) HEREBY CERTIFIES THE FOLLOWING:

1. I have reviewed this document after it has been completed by the local government and understand the certifications made by the local government.
2. I understand the MNRTF program as described in this document and have been given the opportunity to review the MNRTF application instructions and project completion procedures. I understand that my willingness to enter into a purchase agreement or option for property is within my discretion, and the presence and content of any agreement or option has no bearing whatsoever on the grant process, including when a grant award will be made, the fair market value of the property approved by the DNR, or the date by which the local government will be approved by the DNR to proceed with the acquisition.

LANDOWNER(S) SIGNATURES: (if more than three landowners, attach additional sheets)

a) _____

Landowner or Owner's Legal Representative

Date

b) _____

Landowner or Owner's Legal Representative

Date

c) _____

Landowner or Owner's Legal Representative

Date

Submit this document with a copy of any executed purchase agreement or option to:

**GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925**

MICHIGAN NATURAL RESOURCES TRUST FUND- ACQUISITION PROJECT PROCEDURES



State of Michigan, Department of Natural Resources, Grants Management
Michigan Natural Resources Trust Fund Program

STATEMENT OF JUST COMPENSATION

Required By Act 451, P.A. 1994, as amended, and Act 227 of 1972. Submission is required for payment/reimbursement.

This document is used for land acquisition grants under the Michigan Natural Resources Trust Fund (MNRTF). A separate *Statement of Just Compensation* form is required for each seller. Upon completion of the *Statement of Just Compensation* form by the local government and the landowner(s), signature by the local unit of government's representative and all landowners (or their legal representative) is required.

SECTION A: PROJECT DESCRIPTION (to be completed by the local government)

MNRTF Project Number: TF	MNRTF Project Title:
Grantee (local government pursuing the acquisition):	Name of Grantee's Representative:
Project Description/Purpose of the acquisition:	
Acreage to be acquired:	County of the real property:
Owners of the real property based on title records: a. _____ b. _____ c. _____	

SECTION B: LEGAL DESCRIPTION (to be completed by the local government)

A legal description for the real property must be attached to this *Statement of Just Compensation* form and reviewed by the landowner(s) and local unit of government before the *Statement of Just Compensation* form is signed.

SECTION C: JUST COMPENSATION (to be completed by the local government)

Just compensation takes into consideration the location of the property, its highest and best use, and current land sales of similar properties. An increase or decrease in the market evaluation caused by the public improvement or the project for which the property is to be acquired, or by the likelihood that the property would be acquired for such improvement or project, other than that due to the physical deterioration of the property within the reasonable control of the owner, has been disregarded in making the determination of just compensation.

- Just Compensation, which is the Department of Natural Resources-Approved Fair Market Value, has been identified as: \$
- Just Compensation includes amounts for the land, improvements, severance, if any, and other elements, as follows:

Land and Improvements:	\$	<input type="checkbox"/> Amount includes buildings, structures or other
Less Damage to the Remainder:	\$	
Less/Plus Other:	\$	
Total:	\$	Must be amount shown in Section C (1) above

SECTION D: FEE SIMPLE TITLE (to be completed by the local government)

ONE OF THE FOLLOWING BOXES MUST BE CHECKED:

☐ Acquisition will be of fee simple title free of all liens, encumbrances, and restrictions and with no interests reserved by the landowner;

OR

☐ Acquisition is subject to the following easements or restrictions or interests or rights to be reserved by the landowner. *
Describe below:

* **IMPORTANT** – All easements, restrictions, and reservations of interests by the landowner must have prior approval by the DNR. If this box is checked, the local unit of government should not proceed with the acquisition without written approval from the DNR.

STATEMENT OF JUST COMPENSATION (Continued)

SECTION E: OCCUPANTS (to be completed by the landowner)

The following persons are occupying the property as separate households or are conducting business activities:

1. Name of Occupant	2. Name of Occupant	3. Name of Occupant
Address of Occupant	Address of Occupant	Address of Occupant
City State ZIP code	City State ZIP code	City State ZIP code
TYPE OF OCCUPANCY: <input type="checkbox"/> Household <input type="checkbox"/> Lease <input type="checkbox"/> Business <input type="checkbox"/> Rental	TYPE OF OCCUPANCY: <input type="checkbox"/> Household <input type="checkbox"/> Lease <input type="checkbox"/> Business <input type="checkbox"/> Rental	TYPE OF OCCUPANCY: <input type="checkbox"/> Household <input type="checkbox"/> Lease <input type="checkbox"/> Business <input type="checkbox"/> Rental

SECTION F: GRANTEE CERTIFICATION (to be completed by the local government)

1. In compliance with Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, just compensation has been identified for the real property identified above.
2. The Just Compensation amount is based upon a DNR-approved appraisal prepared for the local government and is not less than the appraiser's opinion of fair market value that he/she determined after a personal inspection of the property.
3. The landowners were given the opportunity to accompany the appraiser.
4. The local unit government is prepared to commence with negotiations for the purchase of this property.
5. The local government will ensure all occupants of the property are made aware of the potential relocation benefits.
6. The local government will pay all incidental costs associated with the acquisition, unless the landowner(s) waives this requirement in writing.
7. This is NOT an offer to purchase.

Grantee's Representative Signature

Date

SECTION G: LANDOWNER(S) CERTIFICATION (to be completed by the landowner)

1. I was offered the opportunity to accompany the appraiser over the subject land.
2. I have received a copy of this *Statement of Just Compensation* form, fully reviewed it, and have been advised of my rights under P.L. 91-646.
3. **By signing of this statement, I acknowledge that I have completed Sections E and G. My signature acknowledges receipt of the completed *Statement of Just Compensation* form and places me under no obligation.**

LANDOWNER(S) SIGNATURES:

I or my representative ☐ DID ☐ DID NOT accompany the appraiser. (ONE OF THESE BOXES MUST BE CHECKED)

a) Landowner or Owner's Legal Representative Signature

Date

I or my representative ☐ DID ☐ DID NOT accompany the appraiser. (ONE OF THESE BOXES MUST BE CHECKED)

b) Landowner or Owner's Legal Representative Signature

Date

I or my representative ☐ DID ☐ DID NOT accompany the appraiser. (ONE OF THESE BOXES MUST BE CHECKED)

c) Landowner or Owner's Legal Representative Signature

Date

This completed and signed document must be submitted with the Reimbursement Package to:

**GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925**

MICHIGAN NATURAL RESOURCES TRUST FUND- ACQUISITION PROJECT PROCEDURES



State of Michigan, Department of Natural Resources, Grants Management
Michigan Natural Resources Trust Fund Program

OFFER TO PURCHASE

Required By Act 451, P.A. 1994, as amended, and Act 227 of 1972. Submission required for payment/reimbursement.

This *Offer to Purchase* form is used for land acquisition grants under the Michigan Natural Resources Trust Fund (MNRTF) when the Cash Compensation amount is at least equal to the Just Compensation/Offer to Purchase amount. A separate *Offer to Purchase* form is required for each seller. Upon completion of the *Offer to Purchase* form by the Local Government/Buyer and the Landowner/Seller(s), signature by the local unit of government's representative and all landowners (or their legal representative) is required. An alternative to this document may be used if it contains the same information.

SECTION A: PROJECT DESCRIPTION (to be completed by the local government)

MNRTF Project Number: TF	MNRTF Project Title:
------------------------------------	----------------------

SECTION B: BUYER INFORMATION (The Buyer is the MNRTF grantee/local government pursuing the acquisition)

Name of Local Government/Buyer:	Name of Local Government/Buyer's Representative:
Address of Local Government/Buyer:	City State ZIP code

SECTION C: SELLER(S) INFORMATION (Owners of the real property based on title records)

1. Name of Seller	2. Name of Seller	3. Name of Seller
Address of Seller	Address of Seller	Address of Seller
City State ZIP code	City State ZIP code	City State ZIP code

SECTION D: LEGAL DESCRIPTION (to be completed by the local government)

A legal description for the real property must be attached to this *Offer to Purchase* form and reviewed by the landowner(s) and local unit of government before the *Offer to Purchase* form is signed.

SECTION E: JUST COMPENSATION (to be completed by the local government)

Just Compensation, which is the Department of Natural Resources-Approved Fair Market Value, has been identified as: \$

SECTION F: OFFER TO PURCHASE PRICE (to be completed by the local government)

An Offer to Purchase has been made in the amount of (DNR-approved fair market value or higher): \$

SECTION G: LOCAL GOVERNMENT/BUYER CERTIFICATION

By signing this statement, the Local Government/Buyer offers to purchase the property for the price listed in Section F and to pay the incidental closing costs, unless waived by the Landowner/Seller.

Local Government's Representative Signature _____ Date _____

SECTION H: LANDOWNER/SELLER(S) CERTIFICATION

By signing this statement, the Landowner/Seller(s) certifies the following:

1. I have been informed of all of my rights and benefits under the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970.
2. I have been provided with a Statement of Just Compensation.
3. I accept this Offer to Purchase.

- | | |
|--|------|
| a) Landowner or Owner's Legal Representative | Date |
| b) Landowner or Owner's Legal Representative | Date |
| c) Landowner or Owner's Legal Representative | Date |

This completed and signed document must be submitted with the Reimbursement Package to:

GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925

MICHIGAN NATURAL RESOURCES TRUST FUND- ACQUISITION PROJECT PROCEDURES



State of Michigan, Department of Natural Resources, Grants Management
Michigan Natural Resources Trust Fund Program

OFFER TO PURCHASE (WITH LAND DONATION)/WAIVER OF JUST COMPENSATION

Required By Act 451, P.A. 1994, as amended, and Act 227 of 1972. Submission required for payment/reimbursement.

This document is to be used for land acquisition grants under the Michigan Natural Resources Trust Fund (MNRTF) when the acquisition includes donation of land value. A separate *Offer to Purchase (with Land Donation)/Waiver of Just Compensation* form is required for each seller. Upon completion of the document by the Local Government/Buyer and the Landowner/Seller(s), signature by the local government and all of the landowners (or their legal representative) is required.

SECTION A: PROJECT DESCRIPTION (to be completed by the local government)

MNRTF Project Number: TF	MNRTF Project Title:
------------------------------------	----------------------

SECTION B: BUYER INFORMATION (The Buyer is the MNRTF grantee/local government pursuing the acquisition)

Name of Local Government/Buyer:	Name of Local Government/Buyer's Representative:
Address of Local Government/Buyer:	City State ZIP code

SECTION C: LANDOWNER/SELLER(S) INFORMATION (Owners of the real property based on title records)

1. Name of Landowner/Seller	2. Name of Landowner/Seller	3. Name of Landowner/Seller
Address of Landowner/Seller	Address of Landowner/Seller	Address of Landowner/Seller
City State ZIP code	City State ZIP code	City State ZIP code

SECTION D: LEGAL DESCRIPTION (to be completed by the local government)

A legal description for the real property must be attached to this document and reviewed by the landowner(s) and local unit of government before the document is signed.

SECTION E: JUST COMPENSATION (to be completed by the local government)

Just Compensation, which is the Department of Natural Resources-approved fair market value, has been identified as: \$

SECTION F: OFFER TO PURCHASE PRICE (to be completed by the local government)

An Offer to Purchase has been made in the amount of (DNR-approved fair market value or higher): \$

SECTION G: CASH COMPENSATION AND VALUE OF LAND DONATION (to be completed by the landowner)

1. The landowner has voluntarily agreed to accept Cash Compensation in the amount of: \$
2. The difference between the Just Compensation/Offer to Purchase Amount and the Cash Compensation Amount is: \$
(This represents a donation of land value from the Landowner/Seller(s) to the Local Government/Buyer)

SECTION H: LOCAL GOVERNMENT/BUYER CERTIFICATION

By signing this document, the Local Government/Buyer certifies the following:

1. The Local Government/Buyer as listed in Section B offers to purchase the property described under Section D for the purchase price listed in Section F and to pay the incidental closing costs, unless waived by the Landowner/Seller(s).
2. Cash compensation in the amount listed in Section G will be provided at the time of closing. The difference in the Just Compensation/Offer to Purchase price and the Cash Compensation amount as listed in Section G represents a donation of land value.
3. The value of the land donation may be used by the local government to meet all or a portion of their match obligations for the MNRTF grant, with prior approval from the Department of Natural Resources and the MNRTF Board. Approved land donation will, at the time of closing, be a credit to the Local Government/Buyer and a debit to the Landowner/Seller(s).

Local Government's Representative Signature:

Date

OFFER TO PURCHASE (WITH LAND DONATION)/WAIVER OF JUST COMPENSATION (Continued)

SECTION I: LANDOWNER/SELLER(S) CERTIFICATION (to be completed by the landowner/seller)

By signing this document, the Landowner/Seller(s) certifies the following:

1. I have been informed of all of my rights and benefits under the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970 (P.L. 91-646).
2. I have been provided with a Statement of Just Compensation.
3. Of my own choice, I have elected to accept the Cash Compensation Amount listed in Section G.1., which is less than the Just Compensation/Offer to Purchase price, as based on the DNR-approved fair market value. The difference represents a donation of land value to the Local Government/Buyer. I understand that the value of the land donation may be used by the local government to meet their match obligations for a MNRTF grant with prior approval of the DNR.
4. I accept this Offer to Purchase and the Cash Compensation Amount.
5. The reason(s) I am accepting cash compensation in an amount less than the Just Compensation/Offer to Purchase is:

a) Landowner/Seller or Landowner's/Seller's Legal Representative Signature *Date*

b) Landowner/Seller or Landowner's/Seller's Legal Representative Signature *Date*

c) Landowner/Seller or Landowner's/Seller's Legal Representative Signature *Date*

This completed and signed document must be submitted with the Reimbursement Package to:

**GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925**

MICHIGAN NATURAL RESOURCES TRUST FUND- ACQUISITION PROJECT PROCEDURES



State of Michigan, Department of Natural Resources, Grants Management
Michigan Natural Resources Trust Fund Program

SELLER'S WAIVER OF REIMBURSEMENT OF INCIDENTAL EXPENSES

Required By Act 451, P.A. 1994, as amended, and Act 227 of 1972. Submission required for payment/reimbursement.

This document is to be used for land acquisition grants under the Michigan Natural Resources Trust Fund (MNRTF). A separate document is required for each seller. Upon completion of the document by the local government and the landowner(s), signature by all landowners (or their legal representative) is required.

SECTION A: PROJECT DESCRIPTION (to be completed by the local government)

MNRTF Project Number: TF	MNRTF Project Title:
Grantee (local government pursuing the acquisition):	

SECTION B: SCHEDULE OF INCIDENTAL EXPENSES (to be completed by the local government)

The landowner (seller) is eligible to receive reimbursement from the local government (buyer) for the following incidental expense:

Item	Amount
Recording Fees	\$
Transfer Tax	\$
Title Insurance	\$
Appraisal	\$
Prorated Taxes	\$
Closing fees (excluding attorney fees)	\$
Total ELIGIBLE Incidental Expenses:	\$

SECTION C: WAIVED INCIDENTAL EXPENSES (to be completed by the landowner)

Of the incidental expenses listed under Section B, the landowner has agreed to:

- ☐ Waive all incidental expenses; OR
☐ Waive the following incidental expenses:

Item	Amount
	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total WAIVED Incidental Expenses	\$

SECTION D: LANDOWNER/SELLER(S) CERTIFICATION (to be completed by the landowner/seller)

By signing this document, I certify that of my own choice, I have elected to waive reimbursement for the incidental expenses listed under Section C, for the following reasons:

LANDOWNER(S) SIGNATURE:

- | | |
|--|------|
| a) Landowner/Seller or Landowner's/Seller's Legal Representative Signature | Date |
| b) Landowner/Seller or Landowner's/Seller's Legal Representative Signature | Date |
| c) Landowner/Seller or Landowner's/Seller's Legal Representative Signature | Date |

This completed and signed document must be submitted with the Reimbursement Package to:

**GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925**

MICHIGAN NATURAL RESOURCES TRUST FUND- ACQUISITION PROJECT PROCEDURES



State of Michigan, Department of Natural Resources, Grants Management
Michigan Natural Resources Trust Fund Program

CLOSING STATEMENT

Required By Act 451, P.A. 1994, as amended, and Act 227 of 1972. **Submission is required for payment/reimbursement.**

This document is to be used for land acquisition grants under the Michigan Natural Resources Trust Fund (MNRTF). A separate document is required for each seller. Upon completion of the document by the local government and the landowner(s), signature by the local unit of government's representative and all landowners (or their legal representative) is required. An alternative to this document may be used if it contains the same information.

PROJECT DESCRIPTION			
MNRTF Project Number: TF		MNRTF Project Title:	
Grantee (local government pursuing the acquisition):		Name of Grantee's Representative:	
Owner(s) of the real property based on title records: a. _____ b. _____ c. _____			
BUYER'S STATEMENT		SELLER'S STATEMENT	
CHARGES (Debits)		CHARGES (Debits)	
Description	Amount	Description	Amount
Purchase Price	\$	Title Insurance	\$
Title Insurance	\$	Revenue Stamps	\$
Prorated Summer Taxes*	\$	Prorated Summer Taxes	\$
Prorated Winter Taxes*	\$	Prorated Winter Taxes	\$
Recording Fees	\$	Recording Fees	\$
Revenue Stamps	\$	Miscellaneous (including Land Donation)	\$
Closing Fee (excluding attorney fees)	\$		\$
TOTAL CHARGES	\$	TOTAL CHARGES	\$
CREDITS		CREDITS	
Option	\$	Purchase Price	\$
Miscellaneous (including Land Donation)	\$	Prorated Summer Taxes	\$
	\$	Prorated Winter Taxes	\$
	\$	Miscellaneous	\$
TOTAL CREDITS	\$	TOTAL CREDITS	\$
BALANCE DUE COMPUTATION		NET DUE COMPUTATION	
TOTAL CHARGES	\$	TOTAL CREDITS	\$
LESS TOTAL CREDITS	\$	LESS TOTAL CHARGES	\$
BALANCE DUE	\$	NET DUE	\$
<p>* Taxes paid that are allocable to a period subsequent to vesting of title in the buyer or effective date of possession by the buyer, whichever is earlier. I/We consider the foregoing to be correct accounting and hereby acknowledge that I/we have received a copy of this closing statement.</p> <p>_____ Buyer's Representative Signature Date</p>		<p>I/We consider the foregoing to be correct accounting and hereby acknowledge that I/we have received a copy of this closing statement</p> <p>_____ Landowner/Seller or Legal Representative Signature Date</p> <p>_____ Landowner/Seller or Legal Representative Signature Date</p> <p>_____ Landowner/Seller or Legal Representative Signature Date</p>	

This completed and signed document must be submitted with the Reimbursement Package to:

GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925

PR1908-9 (Rev. 07/10/2008)

MICHIGAN NATURAL RESOURCES TRUST FUND- ACQUISITION PROJECT PROCEDURES



State of Michigan, Department of Natural Resources, Grants Management
Michigan Natural Resources Trust Fund Program

ACQUISITION PROJECT REIMBURSEMENT REQUEST

Required By Act 451, P.A. 1994, as amended, and Act 227 of 1972. Submission is required for payment/reimbursement.

This document is to be used for land acquisition grants under the Michigan Natural Resources Trust Fund (MNRTF) to request reimbursement for grant costs incurred. A separate request is required for each seller.

PROJECT DESCRIPTION				
MNRTF Project Number TF		MNRTF Project Title		
Grantee (local government pursuing the acquisition)		Name of Grantee's Representative		Grantee's Federal Identification No.
Address of Grantee's Representative:			Telephone No. of Grantee's Representative	
City	State	ZIP Code	County	
Owner(s) of the real property based on title records:				
a. _____ b. _____ c. _____				
a. The project consists of acquisition from: (Check one) <input type="checkbox"/> A SINGLE SELLER <input type="checkbox"/> MULTIPLE SELLERS b. If there are multiple sellers, have all parcels in the project area been acquired? (Check one) <input type="checkbox"/> Yes <input type="checkbox"/> No c. If there are multiple sellers, have all reimbursement requests been submitted? (Check one) <input type="checkbox"/> Yes <input type="checkbox"/> No If NO has been checked for either 7.b. or 7.c., include a letter of explanation and status on the remaining parcels The Department of Natural Resources (DNR) may delay payment processing until the entire project area has been acquired.				
Acres acquired (this seller):	Total acres acquired (all sellers):	Waterfront acquired this seller: (in linear feet)	Total Waterfront acquired (all sellers): (in linear feet)	
DNR-approved Fair Market Value (this seller): \$		Purchase Price (including value of any approved land donation) for this seller: \$		
REIMBURSEMENT REQUEST INFORMATION				
This request is for (check one) <input type="checkbox"/> PARTIAL PAYMENT (multiple purchases only) <input type="checkbox"/> FINAL PAYMENT				
In the following table list all the incidental expenses for this parcel which are eligible for reimbursement. Refer to the Acquisition Project Procedures booklet for guidance on eligible costs.				
	AMOUNT PAID	INVOICE / RECEIPT #	CANCELLED CHECK #	DNR USE ONLY
Recording Fees				
Transfer Tax				
Title Insurance				
Appraisal				
Prorated Taxes *				
Plaque (including photo)				
Closing fees (excluding attorney fees)				
Relocation Costs:				
Moving Expenses				
Replacement Housing				
Rent Assistance				
Environmental Assessment Costs				
TOTAL				
*Taxes paid that are allocable to a period subsequent to vesting of title in the agency or effective date of possession by the agency, whichever is earlier.				
I certify that all provisions of the MNRTF Program and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 have been followed for the acquisition of land listed above. Further, the information listed above is true, correct, and complete and lists all incidental costs to which the seller(s) are entitled under P.L. 91-646 and P.A. 227 of 1972.				
Signature of Grantee's Representative				Date

ACQUISITION PROJECT REIMBURSEMENT REQUEST (continued)

MICHIGAN NATURAL RESOURCES TRUST FUND- ACQUISITION PROJECT PROCEDURES**ACQUISITION PROJECT REIMBURSEMENT REQUEST- (Continued)**

Submit this document with **all required attachments** as explained in the **Acquisition Project Procedures** booklet, including a copy of the recorded property deed, the original recorded mineral deed or royalty interest, documentation of expenditures (cancelled checks), a boundary map, and all required documents to:

**GRANTS MANAGEMENT
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30425
LANSING MI 48909-7925**

FOR MICHIGAN DEPARTMENT OF NATURAL RESOURCES USE ONLY

Total acquisition expenditures for property listed on this billing (including incidental costs eligible under P.L. 91-646) or State-approved appraisal amount, whichever is less:

\$

Michigan Natural Resources Trust Fund Grant Amount:

\$

Michigan Natural Resources Trust Fund portion, which is at least _____%, of total acquisition expenditures:

\$

Less _____ % Pending Audit:

\$

Amount Due:

\$

SIGNATURE, DNR PAYMENT OFFICER

DATE

SIGNATURE, DNR GRANT COORDINATOR

DATE